



株式会社夢真ホールディングス  
YUMESHIN HOLDINGS CO.,LTD.

# Financial Results

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for the **Nine** Months Ended June 31, 2015

August 7, 2015

September.2015  
Securities code

2362

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# Consolidated Financial Overview

# TOPIC

- 1. Sales up 34%**
- 2. Achieved the highest operating income**
- 3. Sold the non-core business**

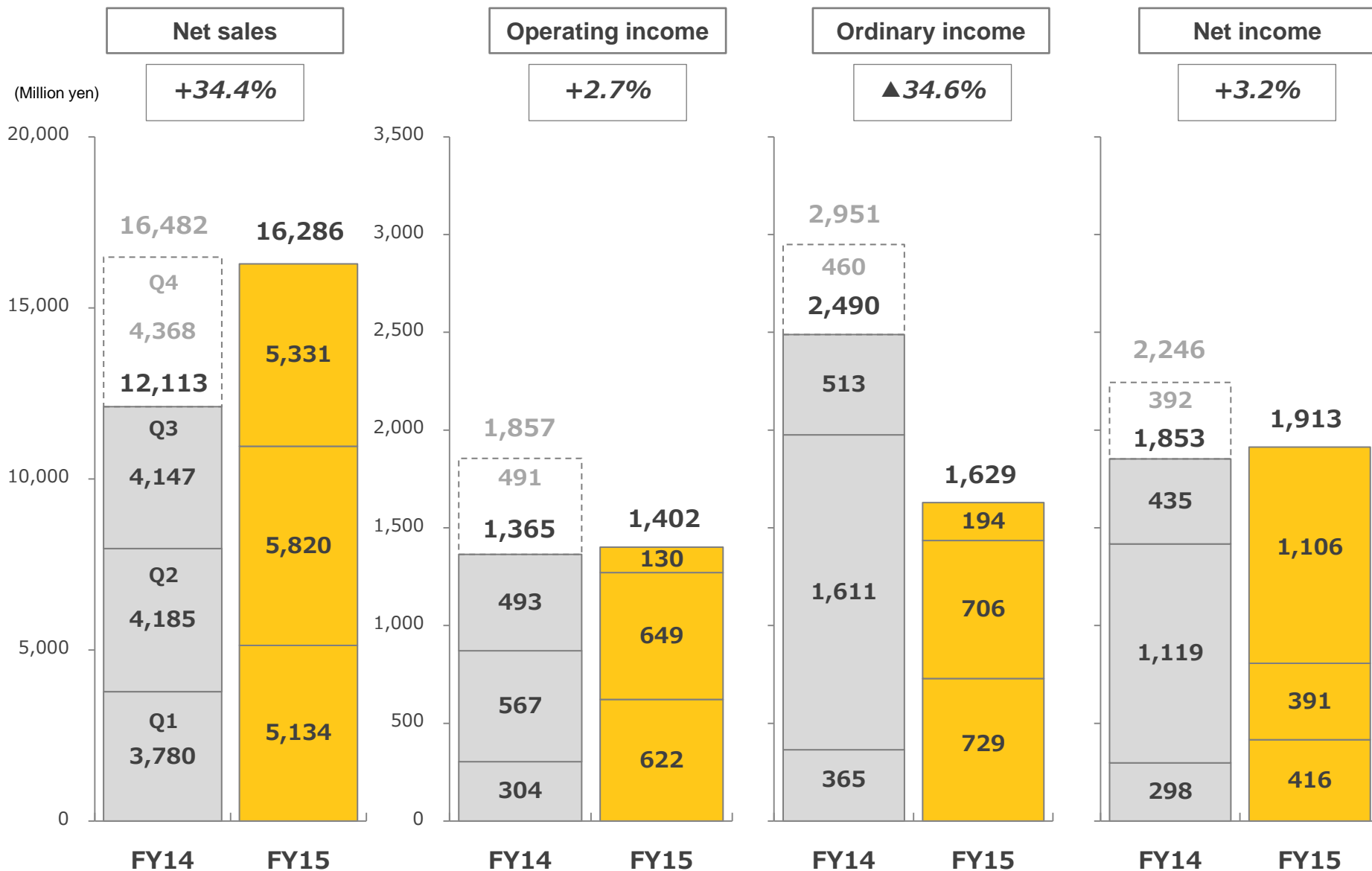
# Consolidated Financial Overview

## Consolidated P/L Statement

[Note]

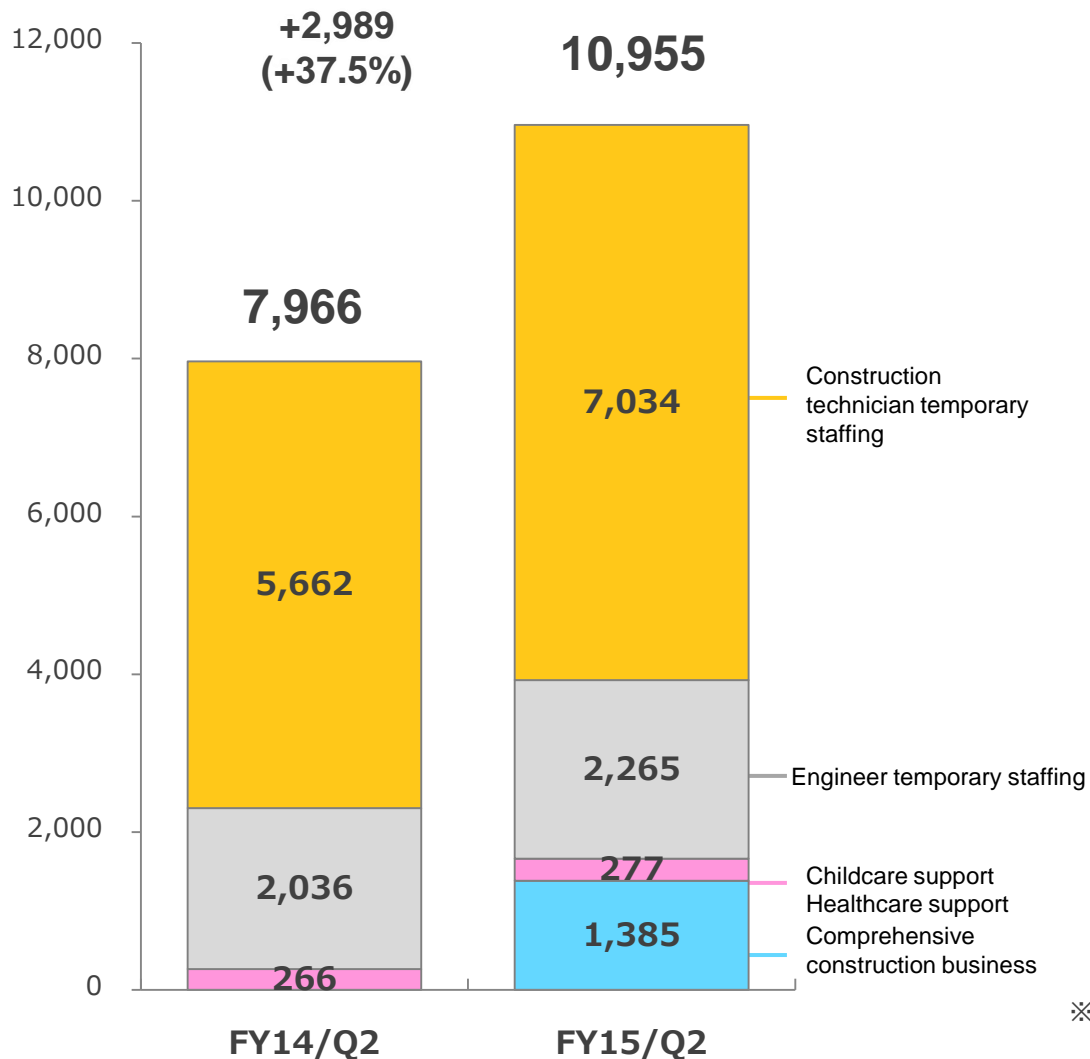
All the shares of Iwamoto Gumi (a general construction contractor) were sold as of June 1. The consolidated financial statements for the third quarter of the current fiscal year include business results of Iwamoto Gumi up to June 30.

# Consolidated P/L



# Consolidated P/L (1) Net Sales

(Million yen)



## 【Major factors for increase/decrease】

**Construction technician temporary staffing** **+1,705million**  
(+19.9%)

- Sales up due to increase in staff at work

**Engineer temporary staffing** **+400million**  
(+12.9%)

- Sales up due to increase in staff at work

**Childcare support  
Healthcare support** **+41million**  
(+9.9%)

- Sales up due to increase in facility users

**Comprehensive construction** **+2,108million**

- Construction of high-grade custom house

※1. Comprehensive construction business was consolidated from the current fiscal year

※2. For the details of each segment, please refer to the p.25 and after

# Consolidated P/L (2)

## Selling, General and Administrative Expenses

(million yen)

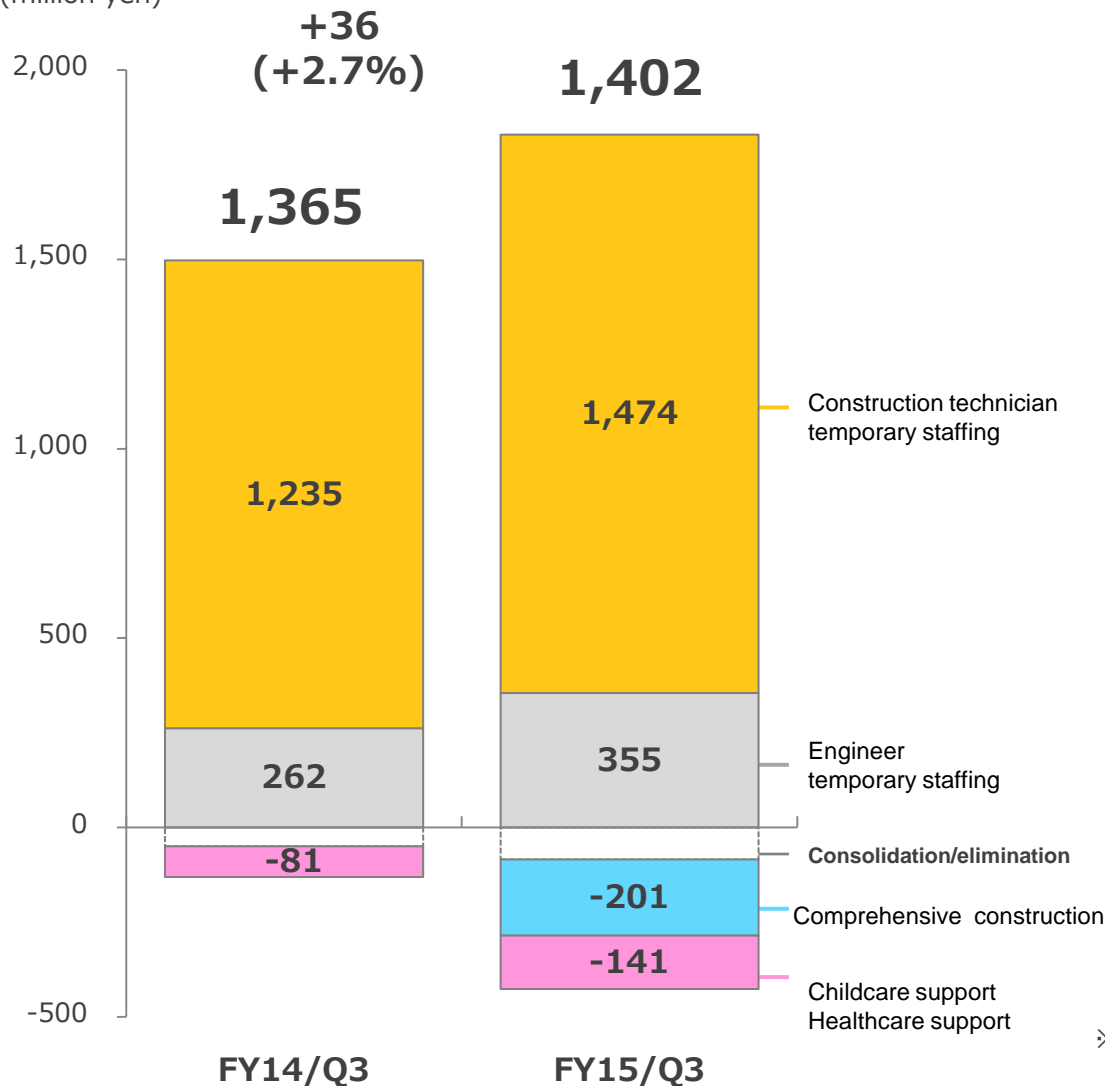
	FY14/Q3	FY15/Q3	Change	Remarks
Cost of sales	5,716	8,039	+2,322	<ul style="list-style-type: none"> <li>Increased due to increase in engineers</li> <li>Increased due to consolidation of Iwamotogumi (+¥2.1 billion)</li> </ul>
Cost of sales ratio	71.8%	73.4%	+1.6pt.	
Gross profit	2,249	2,916	+666	
Gross profit	28.2%	26.6%	▲1.6pt.	
SG&A expenses	1,377	1,644	+267	
Executive compensation	55	65	+10	
Personnel expenses	694	785	+90	<ul style="list-style-type: none"> <li>Increased due to increase in staff of administrative Dept.</li> <li>Increased due to consolidation of Iwamotogumi (+¥88 million)</li> </ul>
Ad expenses	49	29	▲19	
Recruiting cost	208	248	+40	<ul style="list-style-type: none"> <li>Increase in advertising cost</li> </ul>
Rent	77	166	+88	<ul style="list-style-type: none"> <li>Increased due to transfer of headquarter</li> <li>Increased due to consolidation of Iwamotogumi (+¥2.1 million)</li> </ul>
Provision of allowance for doubtful accounts	77	88	+10	
Amortization of goodwill	39	60	+20	
SG&A expenses ratio	17.3%	15.0%	▲2.3pt.	

※ Personnel expenses = Salaries and allowances + Travel and transport expenses + Bonuses + Legal welfare expenses + Benefit costs + Retirement benefit expenses (except executives)



# Consolidated P/L Statement (3) Operating Income

(million yen)



## 【Major factors for increase/decrease】

**Construction technician temporary staffing** **+239million**  
(+19.4%)

- Income up due to Improvement in operating rate and increase in unit cost of temporary staffing

**Engineer temporary staffing** **+93million**  
(+35.7%)

- Income up due to increase in staff at work

**Childcare support  
Healthcare support** **▲59million**  
(▲73.1%)

- Income down due to decrease in the number of temporary childcare worker

**Comprehensive construction** **▲201million**

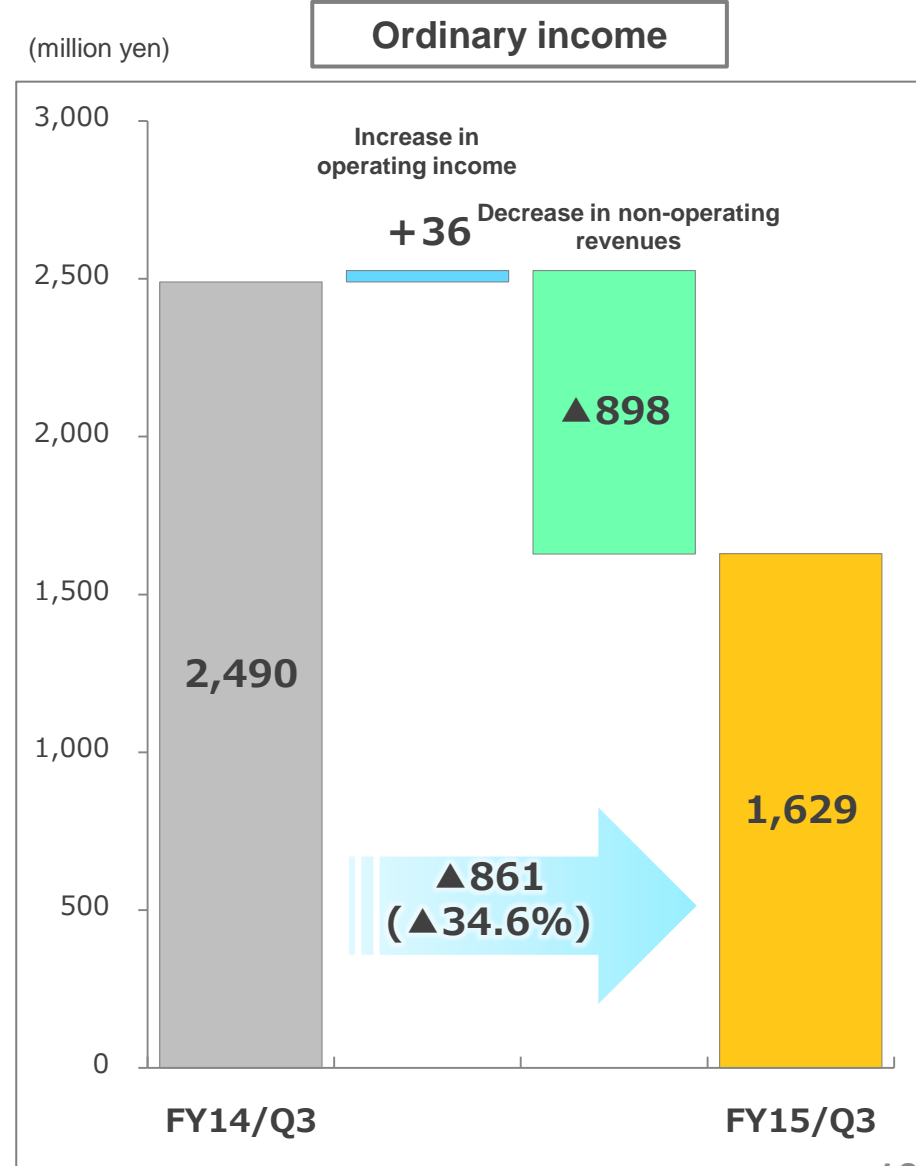
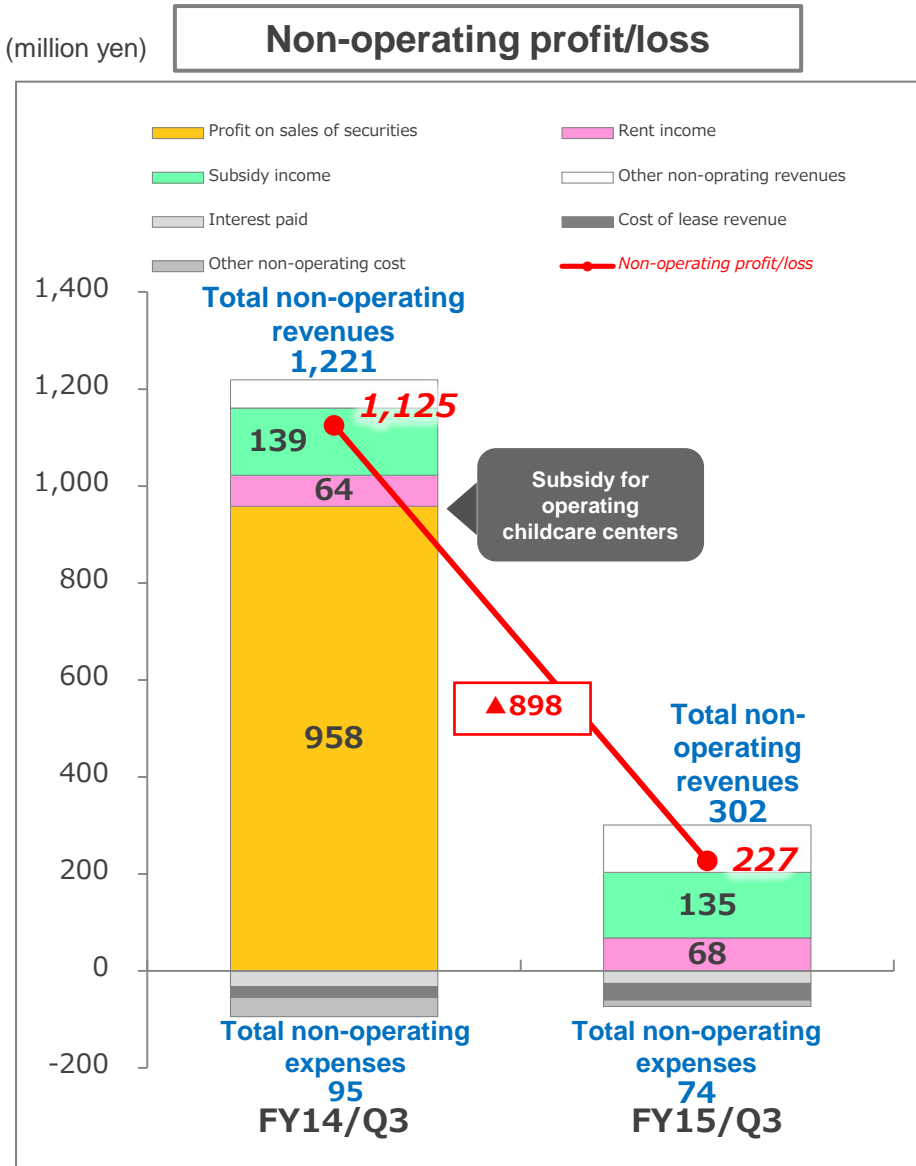
- Construction of high-grade custom house

※1. Comprehensive construction business was consolidated from the current fiscal year

※2. For the details of each segment, please refer to the p.25 and after

# Consolidated P/L (4)

## Non-operating Profit/Loss and Ordinary Income

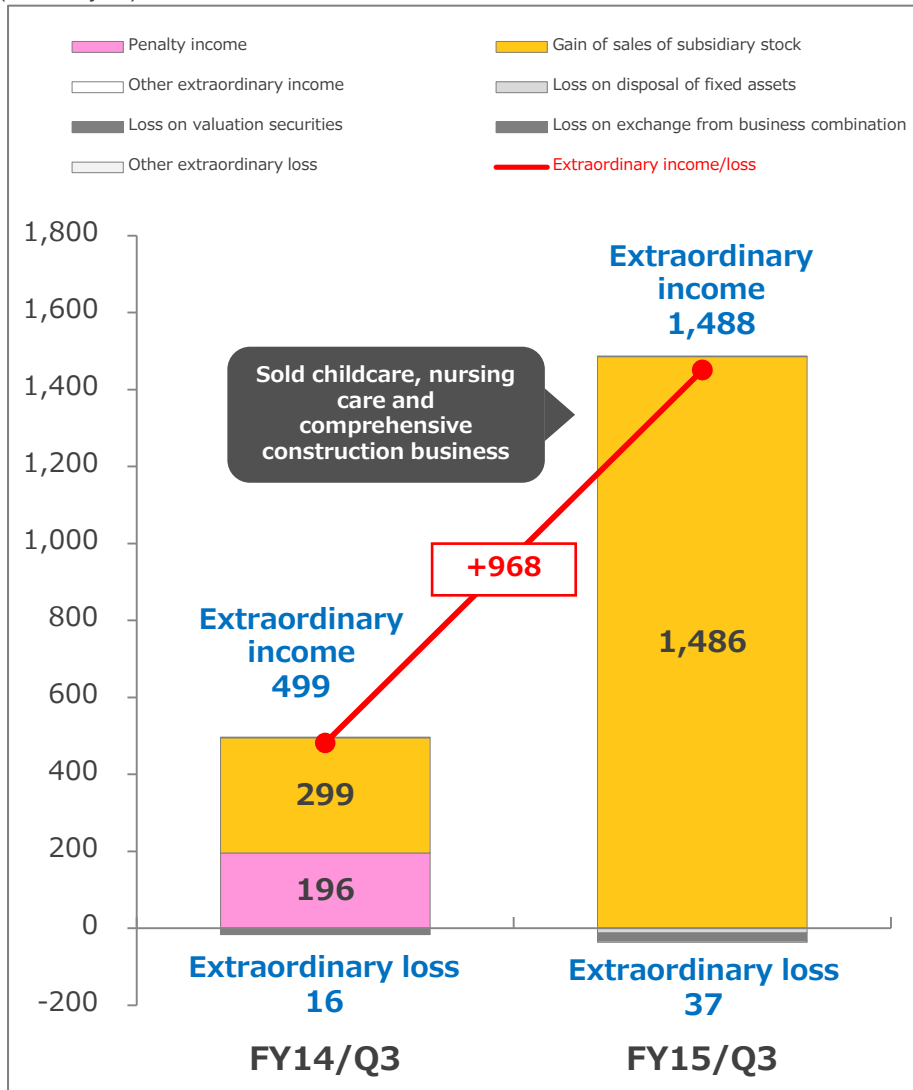


# Consolidated P/L (5)

## Extraordinary Income/Loss and Income Before Income Tax

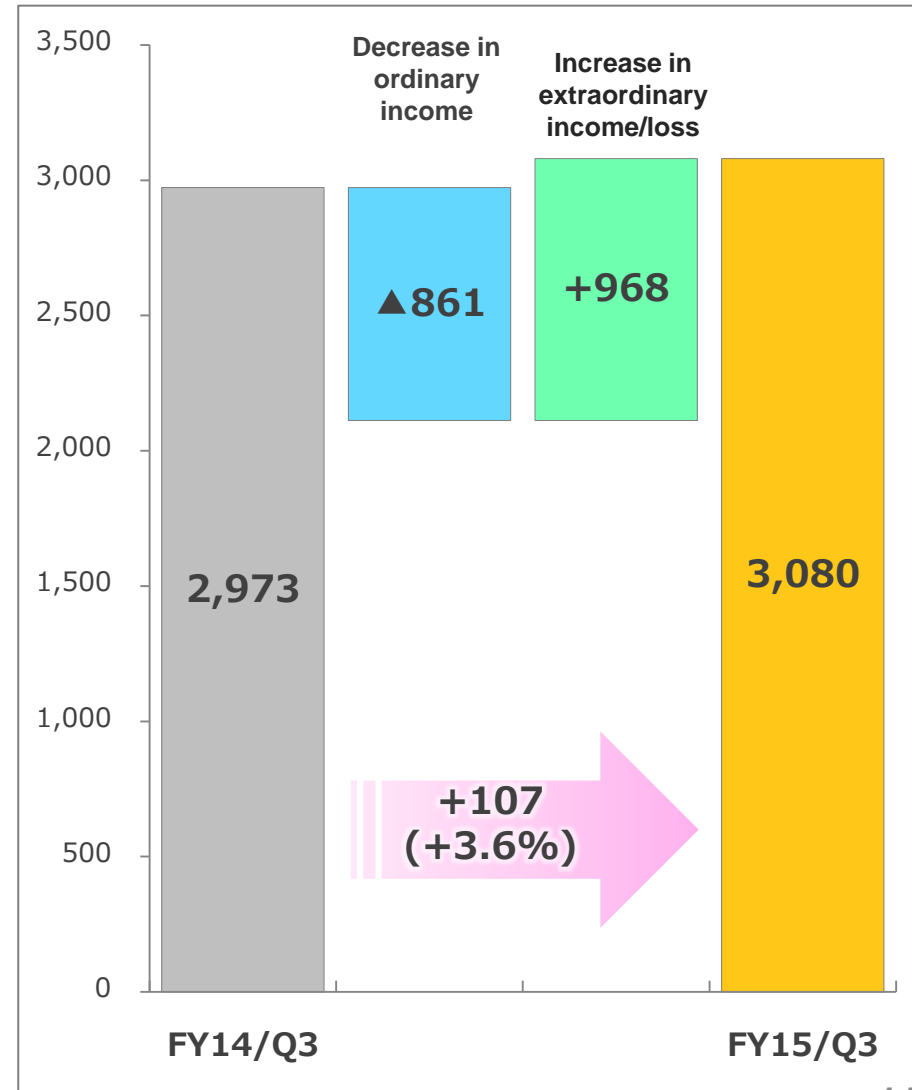
Extraordinary income/loss

(million yen)

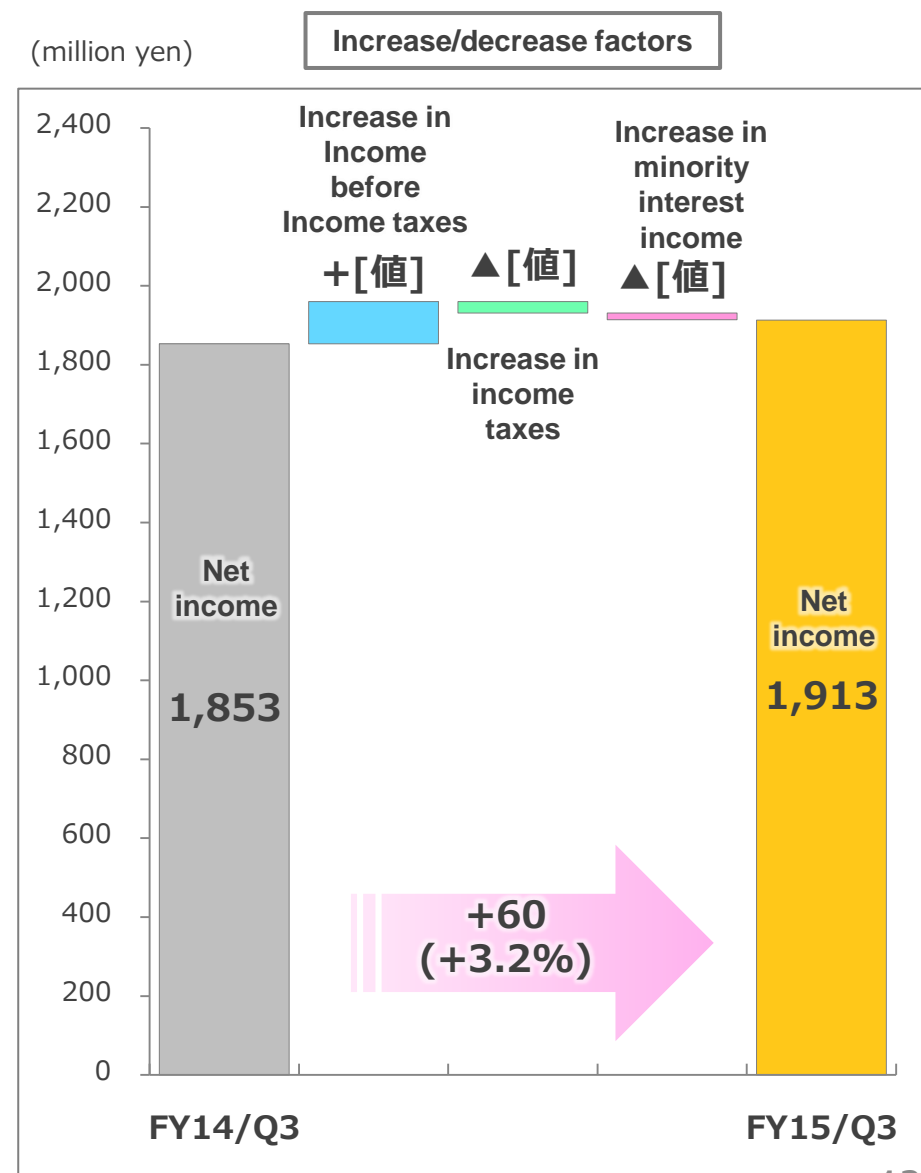
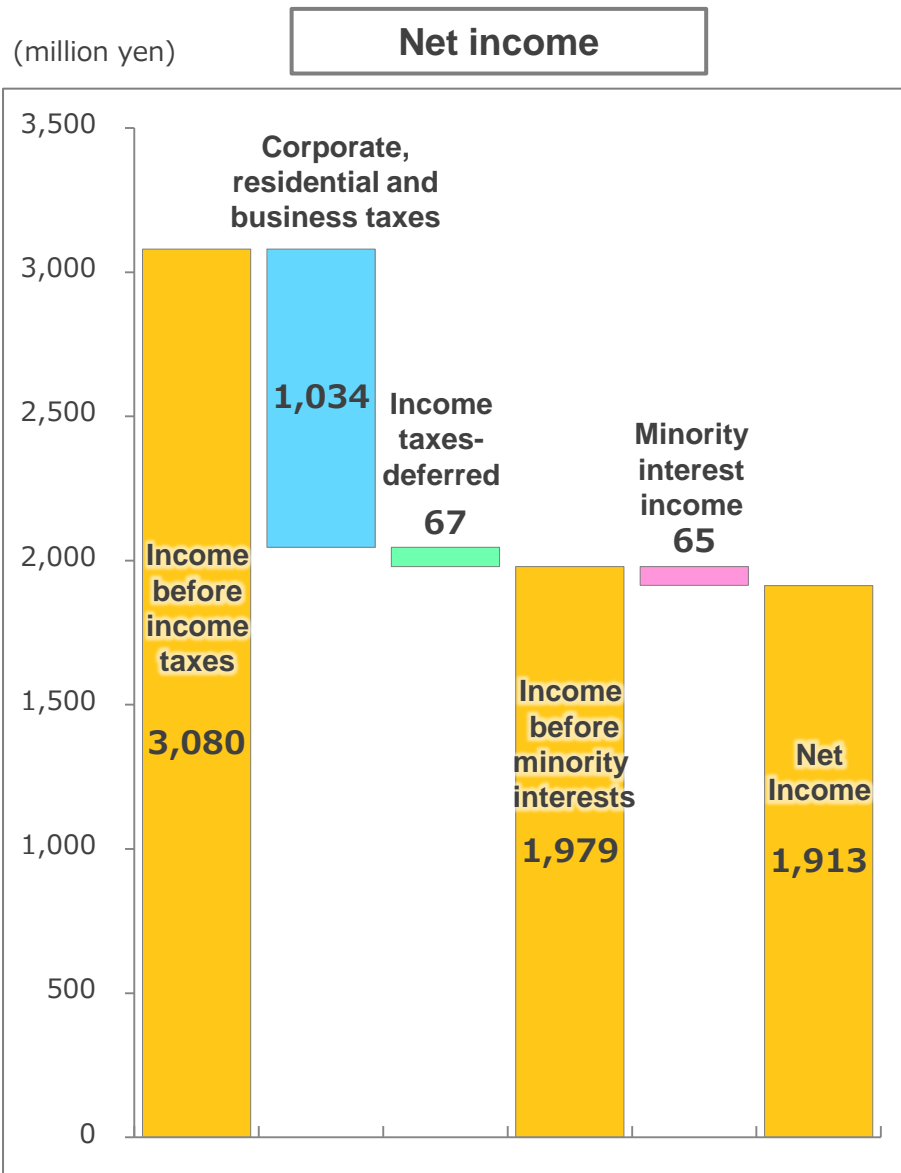


Income before income tax

(million yen)



# Consolidated P/L (6) Net Income



# Summary of Consolidated P/L Statement

(million yen)

	FY14/Q3	FY15/Q3	Change	Pct. change
<b>Net sales</b>	<b>12,113</b>	<b>16,286</b>	<b>+4,173</b>	<b>34.5%</b>
<i>Gross profit</i>	<b>3,400</b> (28.1%)	<b>3,938</b> (24.2%)	<b>+538</b>	<b>15.8%</b>
<i>SG&amp;A expenses</i>	<b>2,035</b> (16.8%)	<b>2,536</b> (15.6%)	<b>+501</b>	<b>24.6%</b>
<b>Operating income</b>	<b>1,365</b> (11.3%)	<b>1,402</b> (8.6%)	<b>+36</b>	<b>2.7%</b>
<b>Ordinary income</b>	<b>2,490</b> (20.6%)	<b>1,629</b> (10.0%)	<b>▲861</b>	<b>▲34.6%</b>
<b>Net income</b>	<b>1,853</b> (15.3%)	<b>1,913</b> (11.8%)	<b>+60</b>	<b>3.2%</b>

※ ( ) = 売上高比率

# Consolidated Financial Overview

## Consolidated B/S

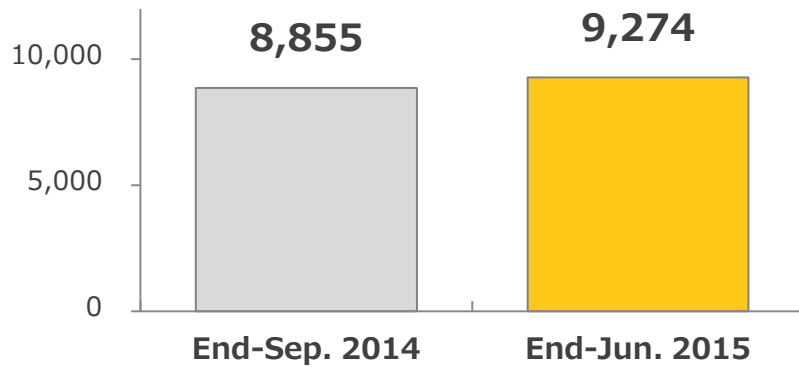
### [Note]

All shares of Iwamoto Gumi (a general construction contractor) were sold on June 1, and all shares of Gaki Daisyo Co., Ltd. (child care support and nursing care services businesses) were sold on June 30. As such, their business results are not included in the financial statements for the third quarter of the current fiscal year.

# Consolidated B/S

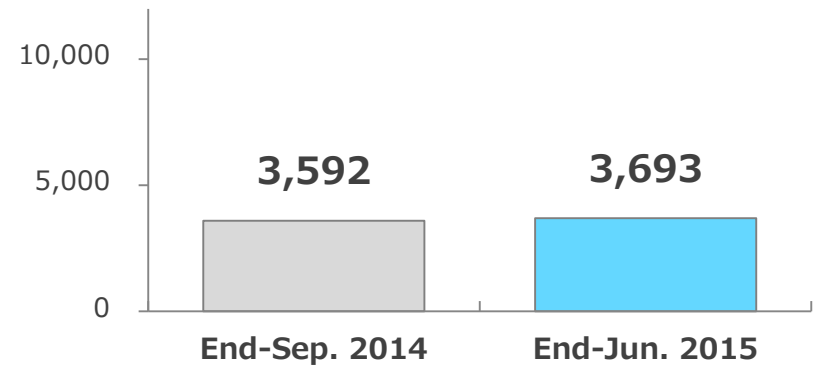
Current assets

(million yen)



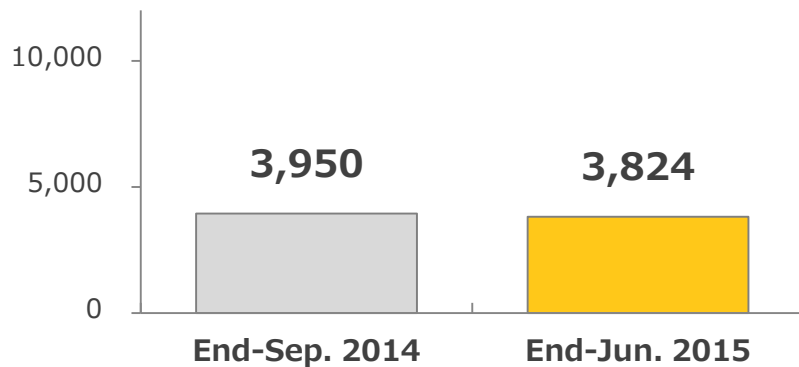
Current liabilities

(million yen)



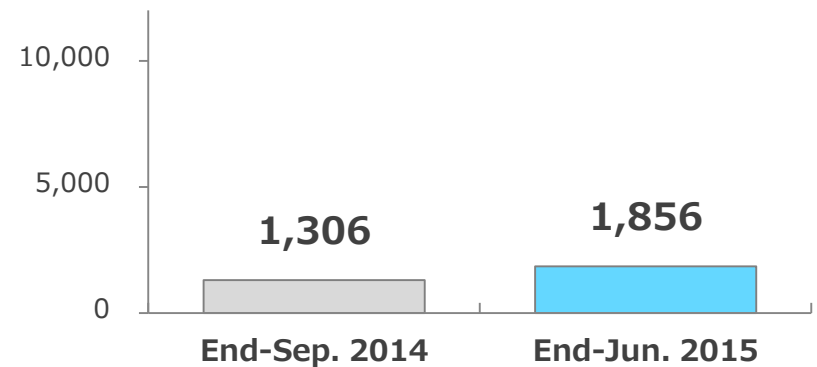
Fixed assets

(million yen)



Fixed liabilities

(million yen)



# Consolidated B/S (1) Assets

(million yen)

	End-Sep. 2014	End-Jun. 2015	Change	Remarks
<b>Assets</b>	<b>12,806</b>	<b>13,098</b>	<b>+292</b>	
<b>Current assets</b>	<b>8,855</b>	<b>9,274</b>	<b>+418</b>	
Cash and deposits	5,755	5,883	+128	<i>Increased due to operating activities</i>
Notes and accounts receivable-trade	2,523	2,672	+148	<i>Increased due to increase in customers</i>
Inventory assets	1	0.8	▲0.1	
Deferred tax assets	257	182	▲74	
Allowance for doubtful accounts	▲31	▲35	▲3	
<b>Fixed assets</b>	<b>3,950</b>	<b>3,824</b>	<b>▲125</b>	
<b>Tangible fixed assets</b>	<b>1,946</b>	<b>2,009</b>	<b>+62</b>	
Buildings and structures	1,018	916	▲102	
Machinery, delivery equipment	11	7	▲3	
Land	863	863	0	
Lease asset	37	40	+3	
<b>Intangible fixed assets</b>	<b>415</b>	<b>359</b>	<b>▲56</b>	
Goodwill	390	322	▲68	
Lease asset	6	5	▲1	
<b>Investments and other assets</b>	<b>1,588</b>	<b>1,456</b>	<b>▲131</b>	
Investment securities	1,071	1,030	▲41	
Long-term debt	80	32	▲47	
Deferred tax assets	10	39	+28	
Allowance for doubtful accounts	▲46	325	▲65	

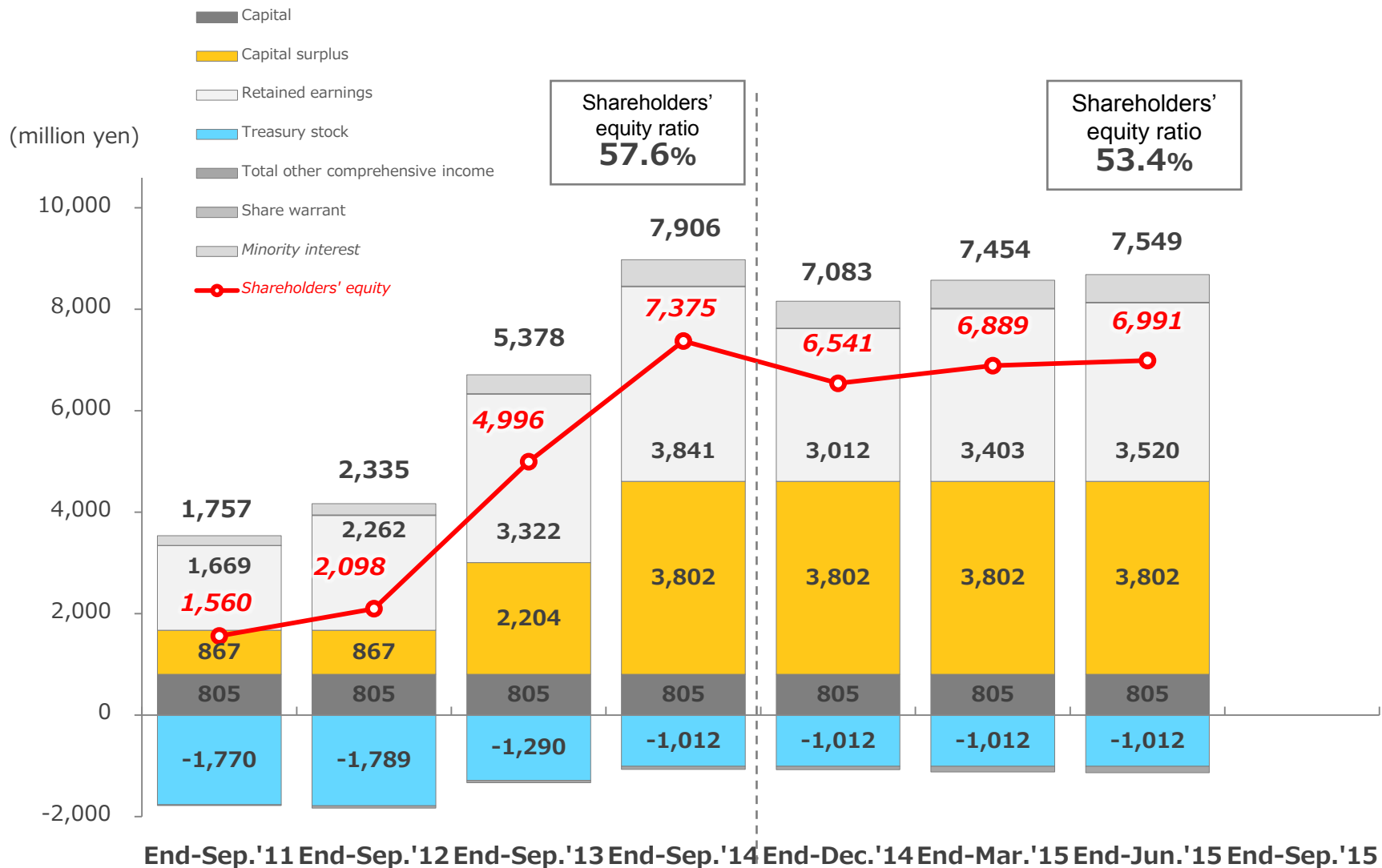


# Consolidated B/S (2) Liabilities and Net Assets

(million yen)

	End-Sep. 2014	End-Jun. 2015	Change	Remarks
<b>Liabilities</b>	<b>4,899</b>	<b>5,549</b>	<b>+649</b>	
Current liabilities	<b>3,592</b>	<b>3,693</b>	<b>+100</b>	
Account payable-trade	<b>11</b>	<b>8</b>	<b>▲3</b>	
Short-term debt	<b>100</b>	<b>100</b>	<b>0</b>	
Current portion of long-term debt	<b>756</b>	<b>1,004</b>	<b>+248</b>	
Accrued expenses	<b>799</b>	<b>1,010</b>	<b>+211</b>	
Income taxes payable	<b>879</b>	<b>539</b>	<b>▲339</b>	<i>Decreased due to payment of corporate taxes</i>
Advances received	<b>26</b>	<b>35</b>	<b>+9</b>	
Reserve for bonuses	<b>239</b>	<b>300</b>	<b>+60</b>	
Fixed liabilities	<b>1,306</b>	<b>1,856</b>	<b>+549</b>	
Long-term debt	<b>892</b>	<b>1,471</b>	<b>+578</b>	<i>Increased due to borrowing of working capital</i>
Lease obligations	<b>28</b>	<b>34</b>	<b>+6</b>	
Loss on retirement benefit	<b>287</b>	<b>216</b>	<b>▲71</b>	
<b>Net assets</b>	<b>7,906</b>	<b>7,549</b>	<b>▲357</b>	
Shareholders' equity	<b>7,436</b>	<b>7,115</b>	<b>▲321</b>	
Capital	<b>805</b>	<b>805</b>	<b>0</b>	
Capital surplus	<b>3,802</b>	<b>3,802</b>	<b>0</b>	
Retained earnings	<b>3,841</b>	<b>3,520</b>	<b>▲321</b>	<i>Net income – Year-end dividend for FY9/14 – Interim dividend for FY9/15</i>
Treasury stock	<b>▲1,012</b>	<b>▲1,012</b>	<b>0</b>	
Accumulated other comprehensive income	<b>▲60</b>	<b>▲123</b>	<b>▲62</b>	
Valuation difference on available-for-sale	<b>▲60</b>	<b>▲122</b>	<b>▲62</b>	
Share warrant	<b>12</b>	<b>11</b>	<b>▲1</b>	
Minority interest	<b>518</b>	<b>546</b>	<b>+28</b>	

# Consolidated B/S (3) Shareholders' Equity



\*Shareholders' equity= Net assets – Minority interest – Share warrant

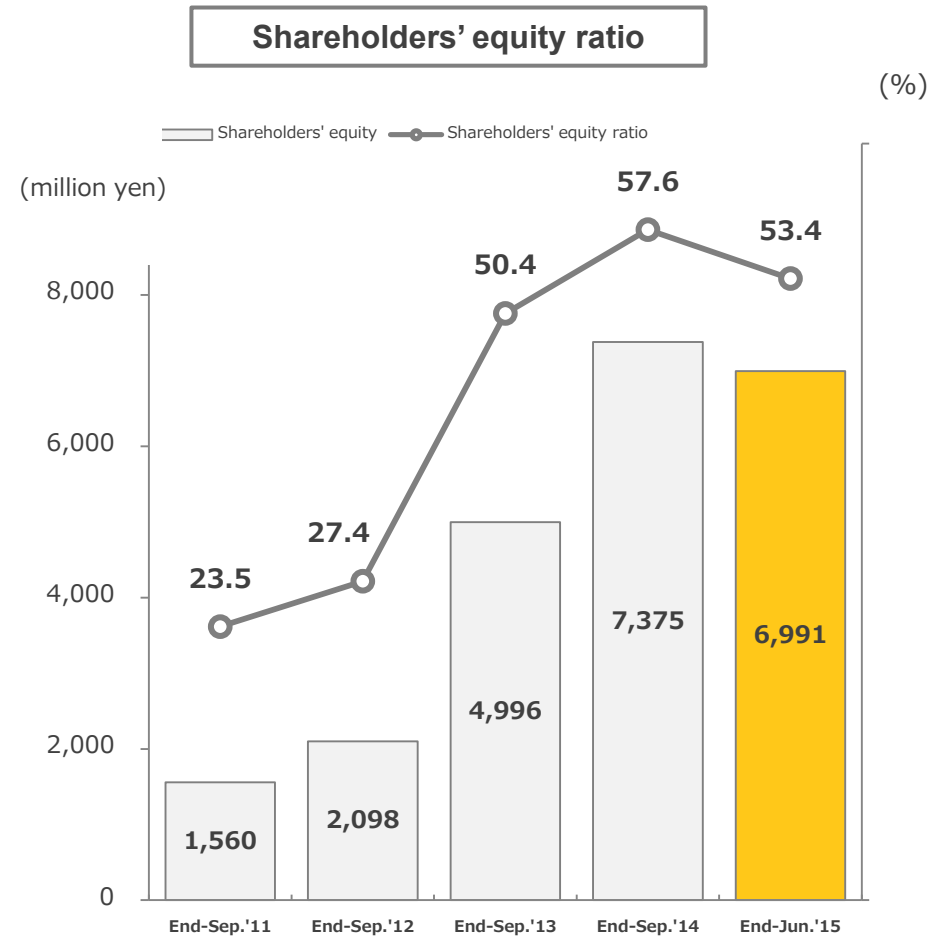
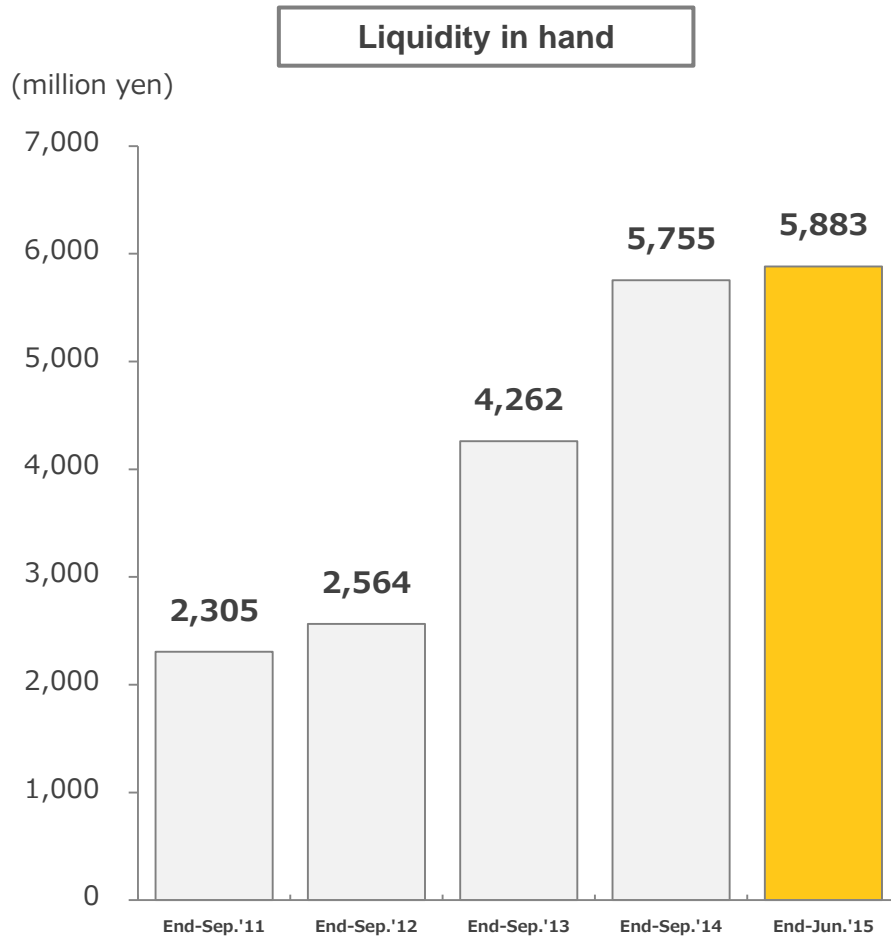
# Consolidated Financial Overview

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## Financial Index

# Financial Index (1)

## Liquidity in Hand and Shareholders' Equity

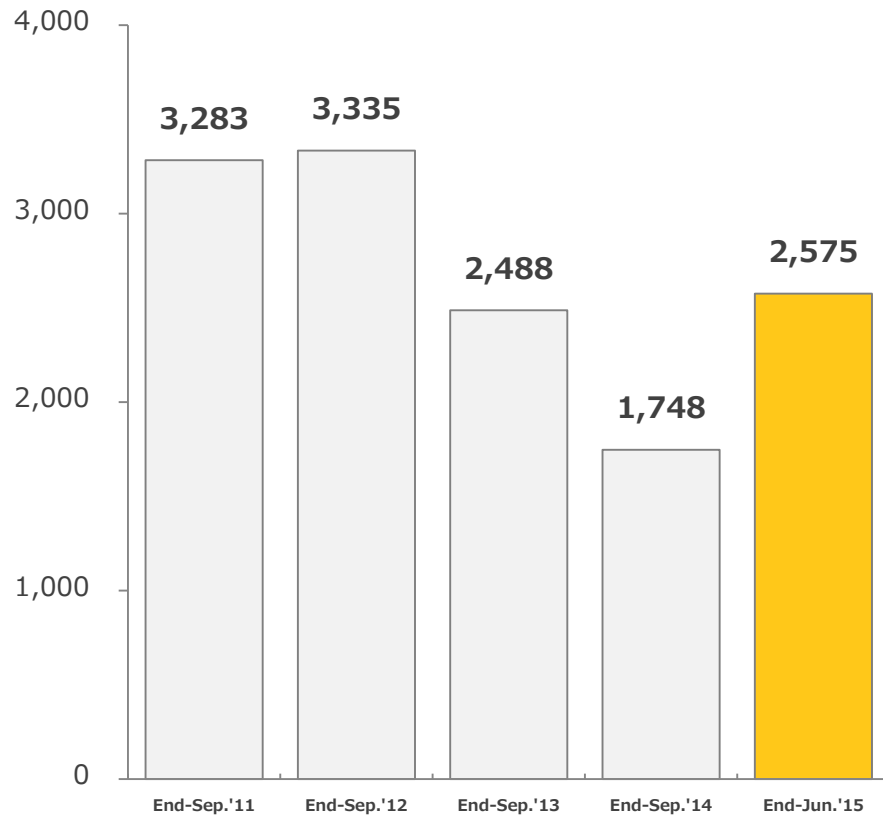


- \*1. Liquidity in hand = Cash and deposits+ Securities included in current assets
- \*2. Shareholders' equity = Net assets—Minority interest—Share warrant
- \*3. Shareholders' equity ratio = Shareholders' equity ÷ Total assets

# Financial Index (2) Interest-bearing Debt

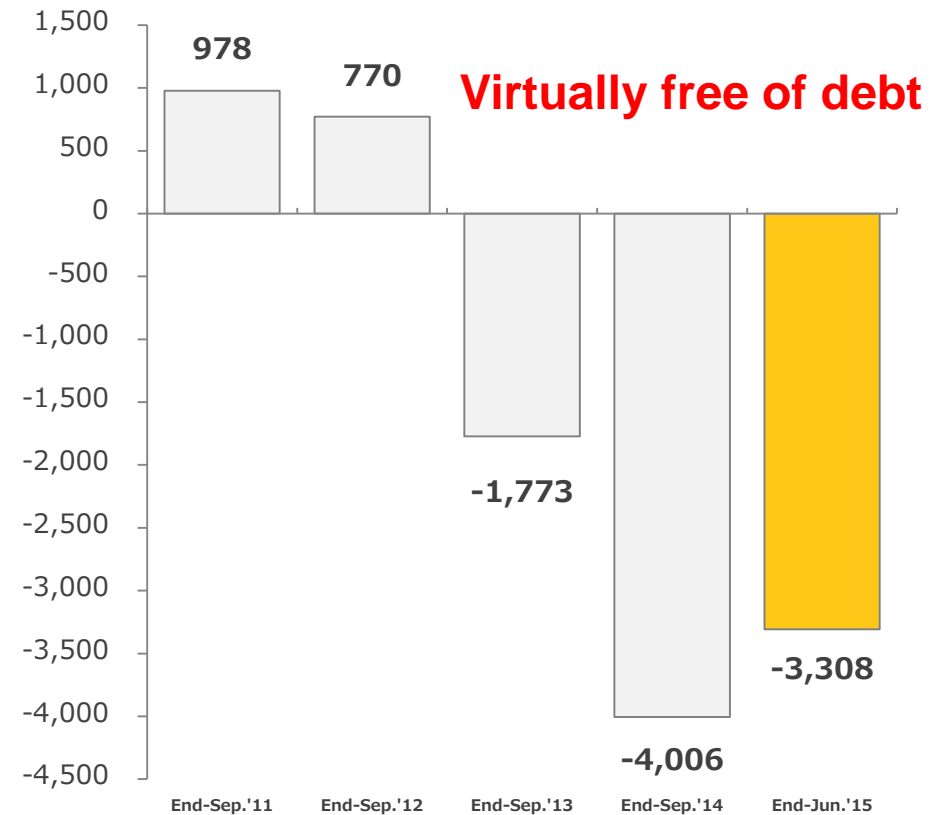
Interest-bearing debt

(Million yen)



Net interest-bearing debt

(Million yen)



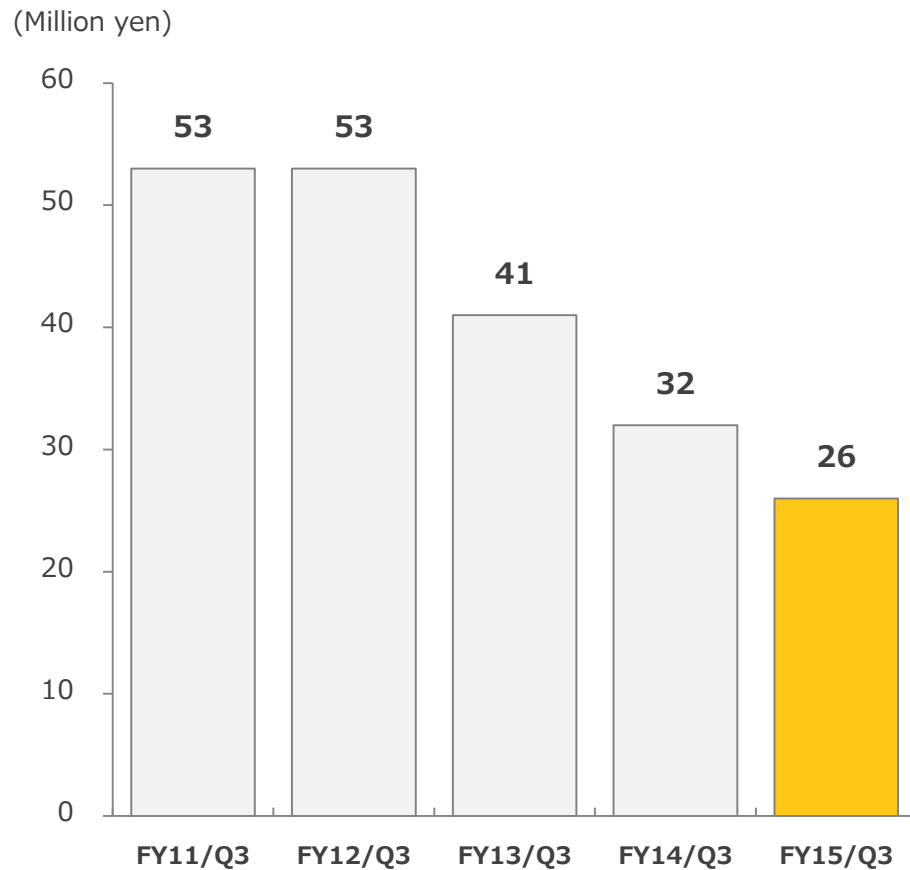
\*1. Interest-bearing debt = Short-term debt+ Long-term debt+ Current portion of long-term debt+ Bond (lease liability not included)

\*2. Net interest-bearing debt = Interest-bearing debt - Liquidity in hand

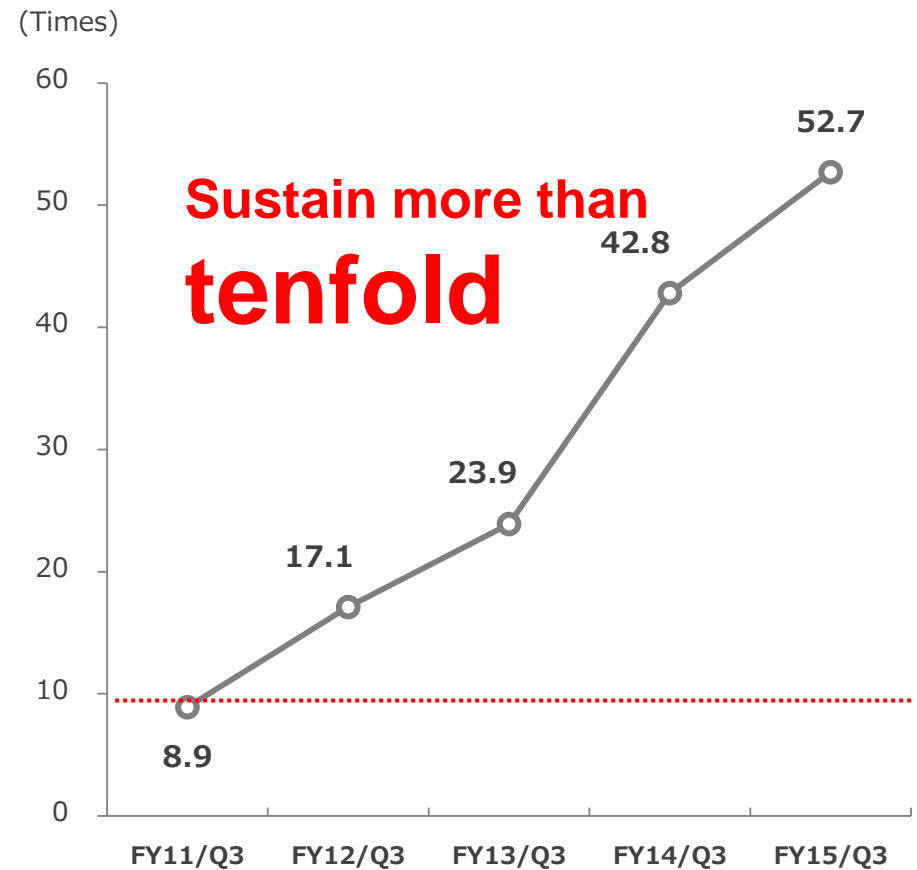
\*3. Liquidity in hand = Cash and deposits+ Securities included current assets

# Financial Index (3) Interest Paid and ICR

Interest paid



ICR

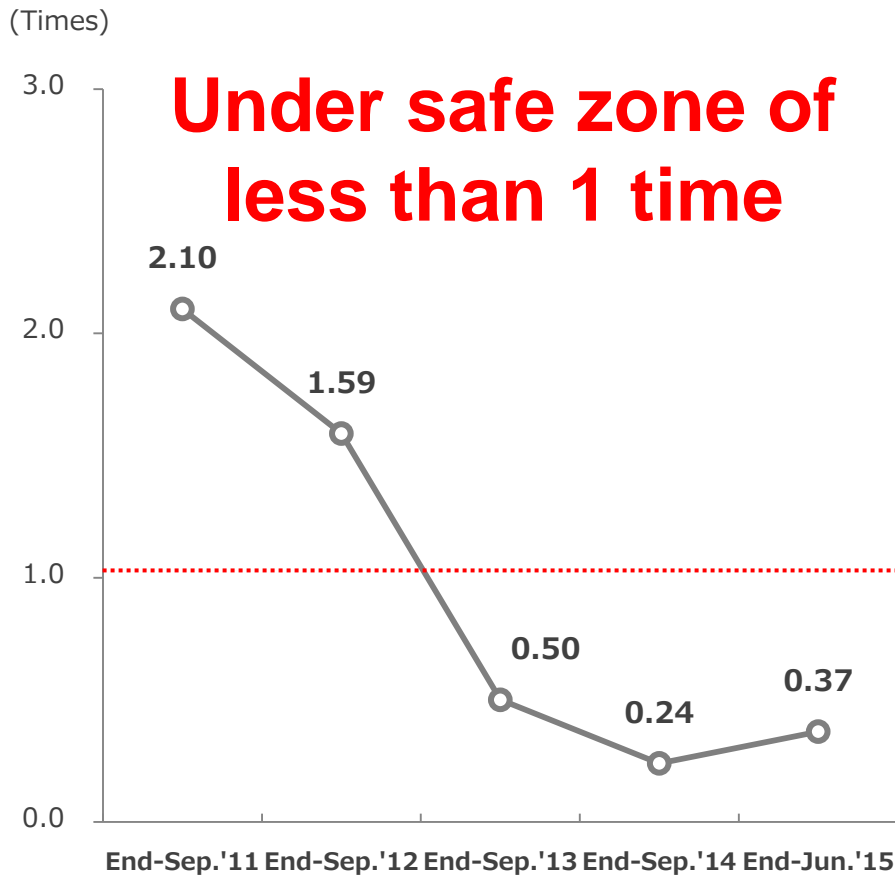


\*1. Instant coverage ratio (ICR) = Net operating profit ÷ Interest paid

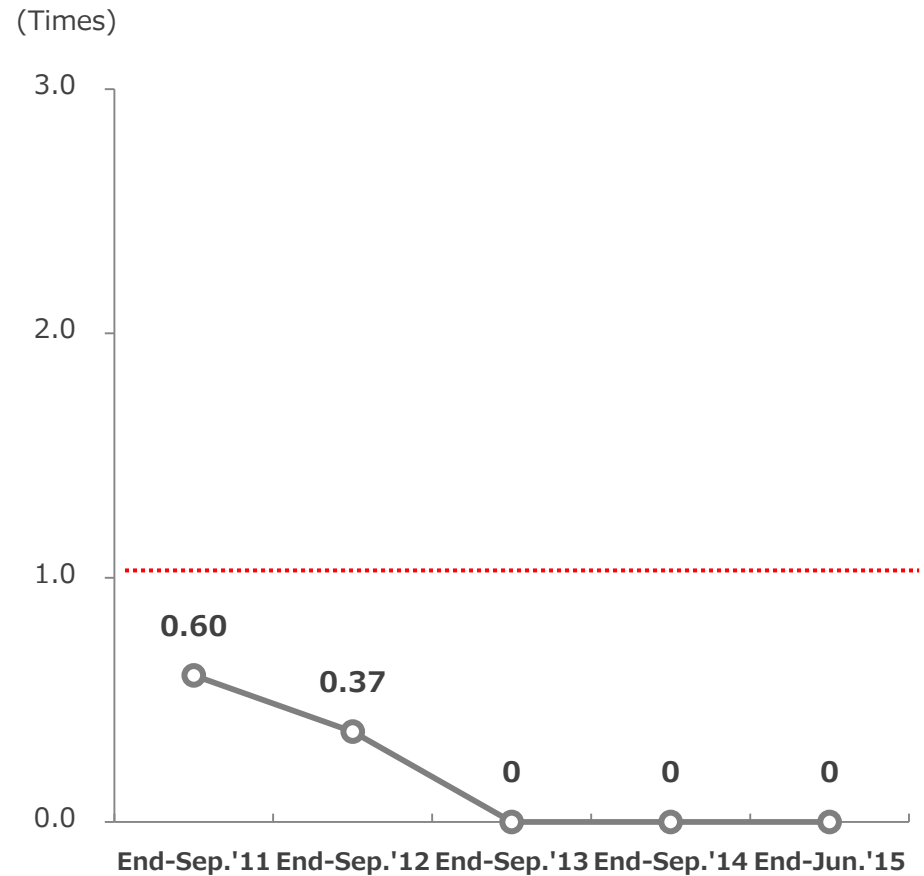
\*2. Net operating profit = Operating income + Interest received + Investment gain/loss on equity method

# Financial Index (4) D/E Ratio

D/E ratio



Net D/E ratio



- ※ 1. D/E ratio = Interest-bearing debt ÷ Shareholders' equity
- 2. Net D/E ratio = Net interest-bearing debt ÷ Shareholders' equity
- 3. Net interest-bearing debt = Interest-bearing debt - Liquidity in hand
- 4. Interest-bearing debt = Short-term debt + Long-term debt + Current portion of long-term debt + Bond (lease liability not included)
- 5. Liquidity in hand = Cash and deposits + Securities included current assets

# Summary of Financial Index

(million yen)

	End-Sep. '14	End-Jun. '15	Change
Shareholders' equity	7,375	6,991	▲383
Shareholders' equity ratio	57.6%	53.4%	▲4.2pt.
Liquidity in hand	5,755	5,883	+128
Interest-bearing debt	1,748	2,575	+826
D/E ratio	0.24times	0.37times	+0.13pt.



# Segment Overview

# Segment Overview

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**Construction Technician  
Temporary Staffing**

# TOPIC

**1 . Net sales up 20%**

**2 . Operating income up 19%**

**3 . Unit cost of temporary  
staffing up 4%**

# Four Indicators of Sales

No. of engineers

×

Operating rate

×

Operating time

×

Unit cost of  
temporary staffing



# Sales

# Number of Engineers (1) Recruitment

- Hired 1,239 people in 9 months from Oct. to Jun.
- Continue hiring about 150 people per month from July onward.

(Unit: Persons)

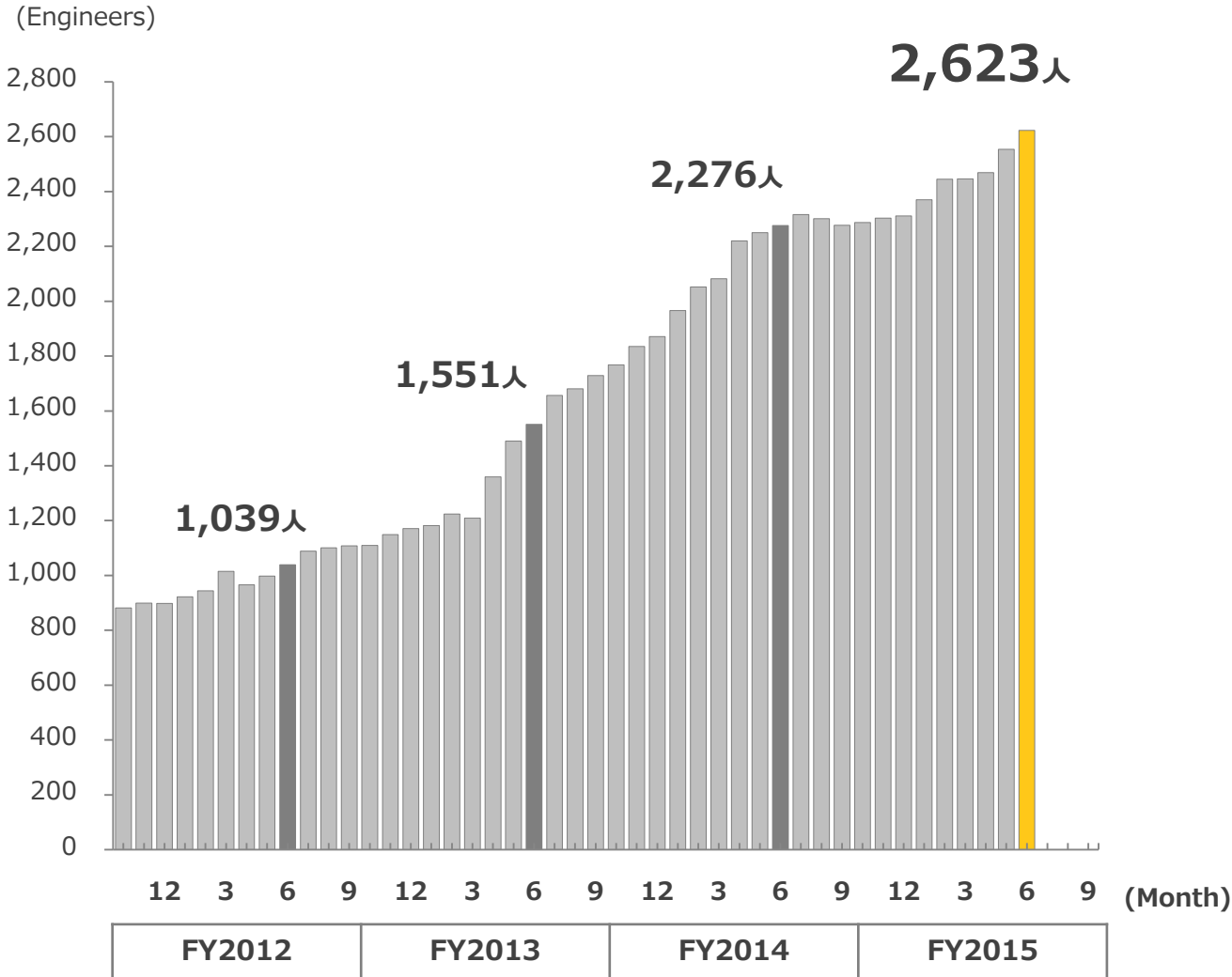
	Oct	Nov	Dec	Jan	Feb	Mar	Oct – Mar total
FY15 Planned recruitment	305			405			710
FY15 recruitment	269			436			705
Difference	▲36			+31			▲5

	Apr	May	Jun	Jul	Aug	Sep	Apr – Sep total	Oct – Sep total
FY15 Planned recruitment	455			435			890	1,600
FY15 recruitment	534							
Difference	+79							

# Number of engineers (2)

## Changes in the Number of Engineers

■ Increased 347 engineers (+15.2%) compared with the end of previous fiscal year



9 months avg.  
(Oct. – Jun.)  
**2,423**  
engineers

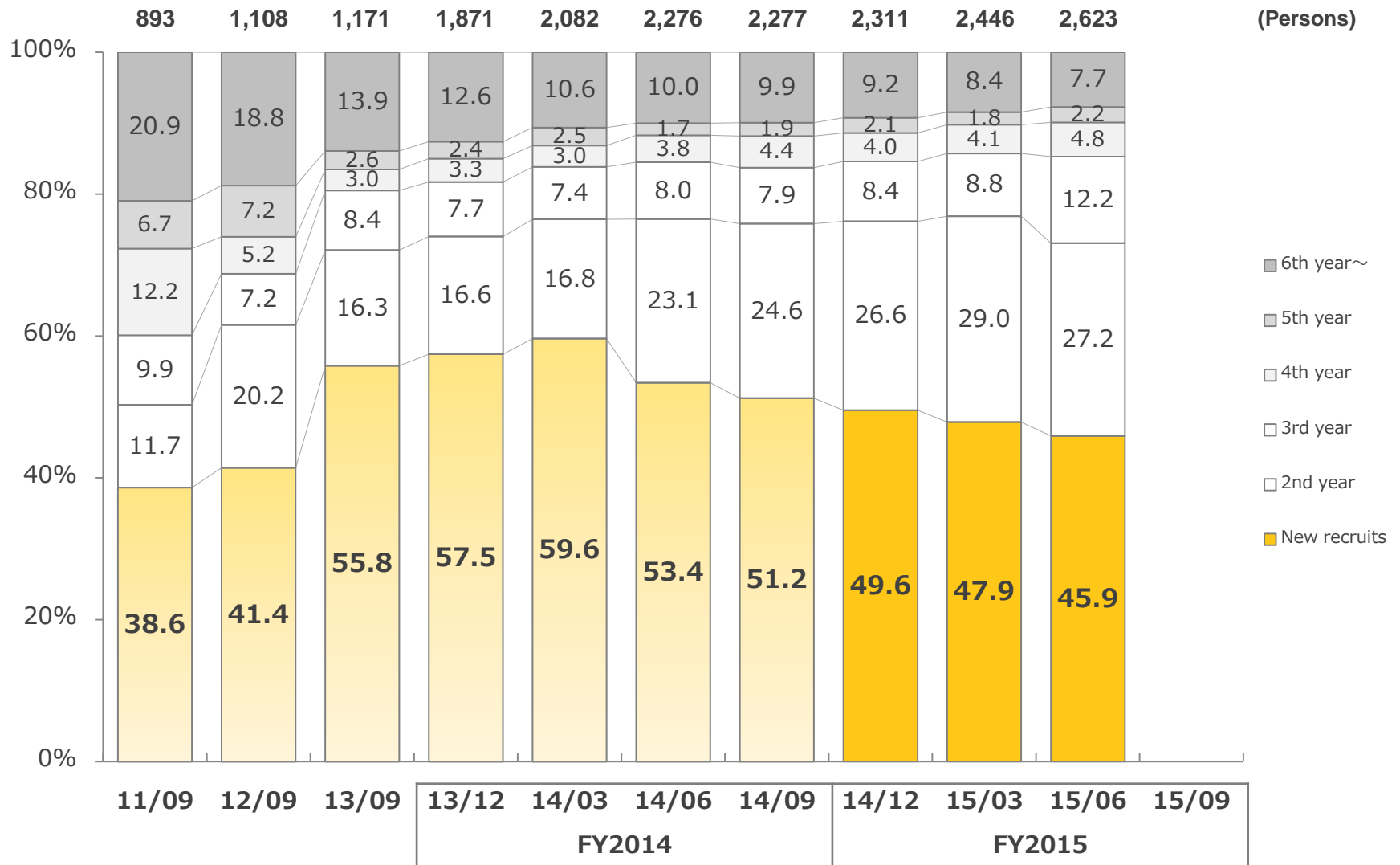
+387人

9 months avg.  
(Oct. – Jun.)  
**2,036**  
engineers

\*Number of engineers at the end of month

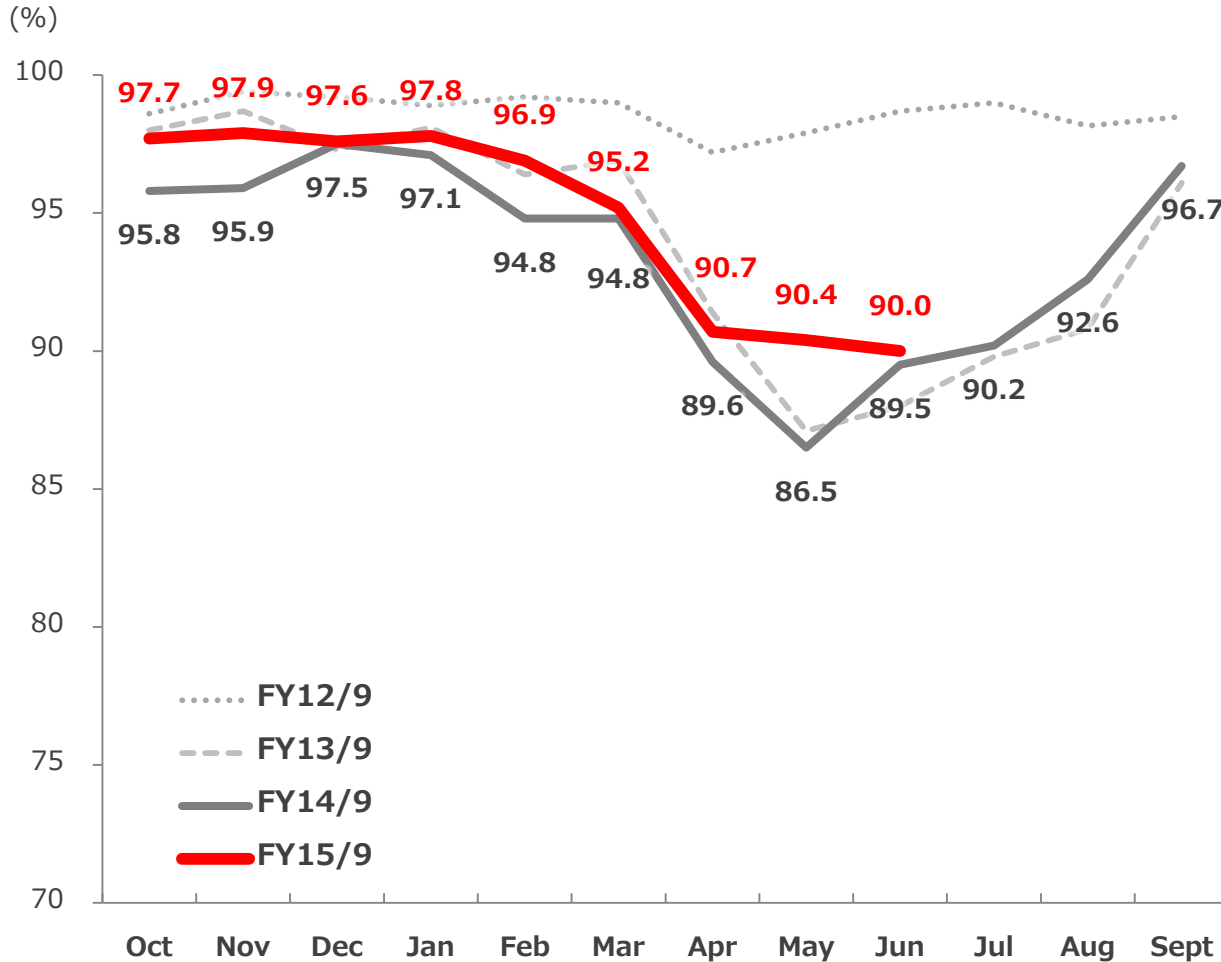
# Number of engineers (3) Ratio by Length of Service

## ■ Ratio of new recruits steadily decreased



# Operating Rate

■ Maintained at 90 percent level while the construction industry is in the transitional period



9 months avg.  
(Oct. – Jun. )  
**94.9%**

**+1.2pt.**

9 months avg.  
(Oct. – Jun. )  
**93.5%**

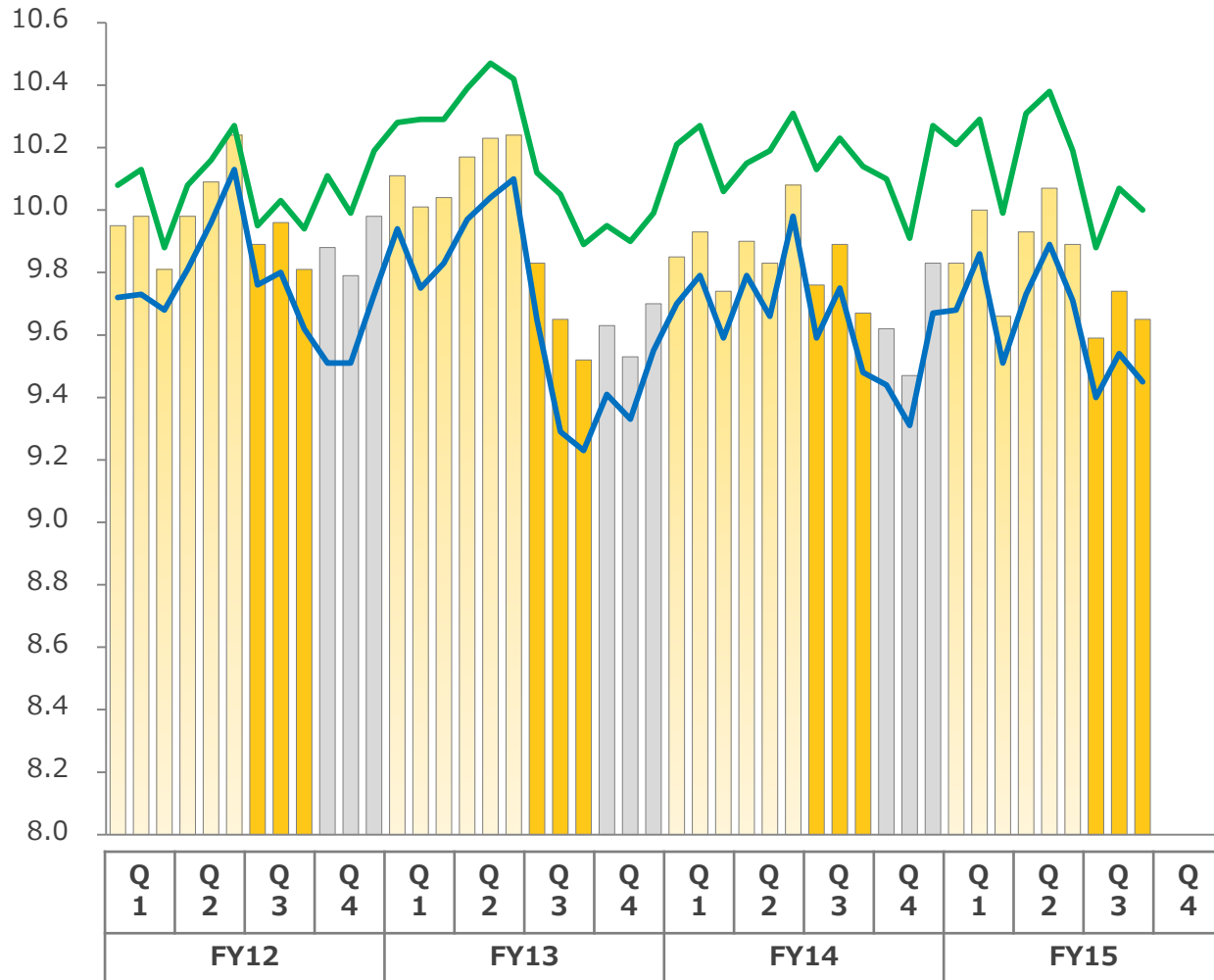
Q1	Q2	Q3	Q4
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# Operating Time

■ Settled at 10h/day due to labor control

(h/day) ■ All engineers ■ From the 2nd year ■ New recruits only



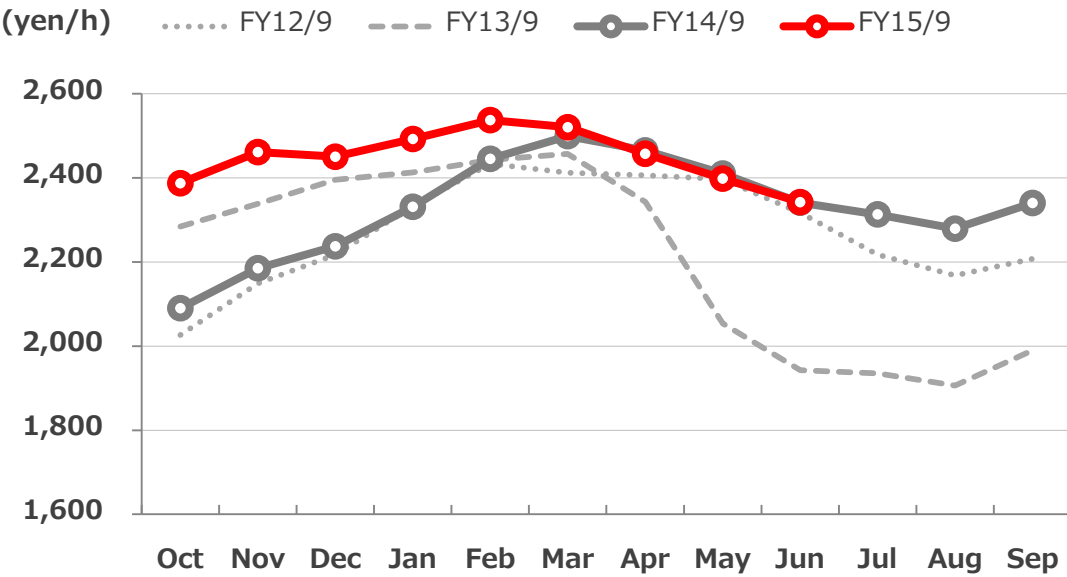
9 months avg.  
(Oct. – Jun. )  
**9.82h**

▲0.03h  
9 months avg.  
(Oct. – Jun. )  
**9.85h**

※ All engineers average

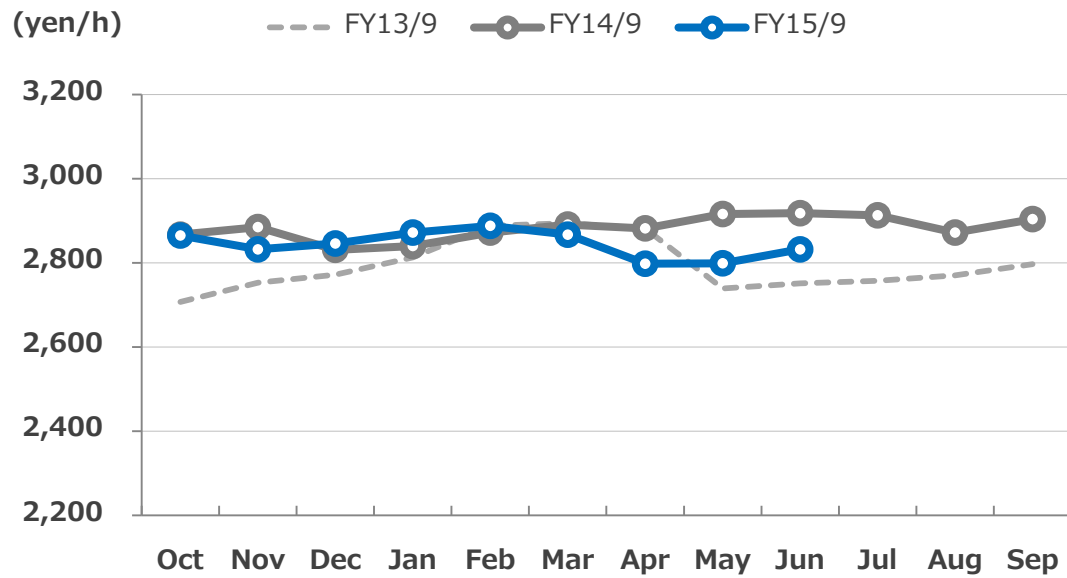
# Unit Cost of Temporary Staffing (1)

## Changes in New Recruits and 2<sup>nd</sup> Year



New recruits only

**+5.0%**  
YoY

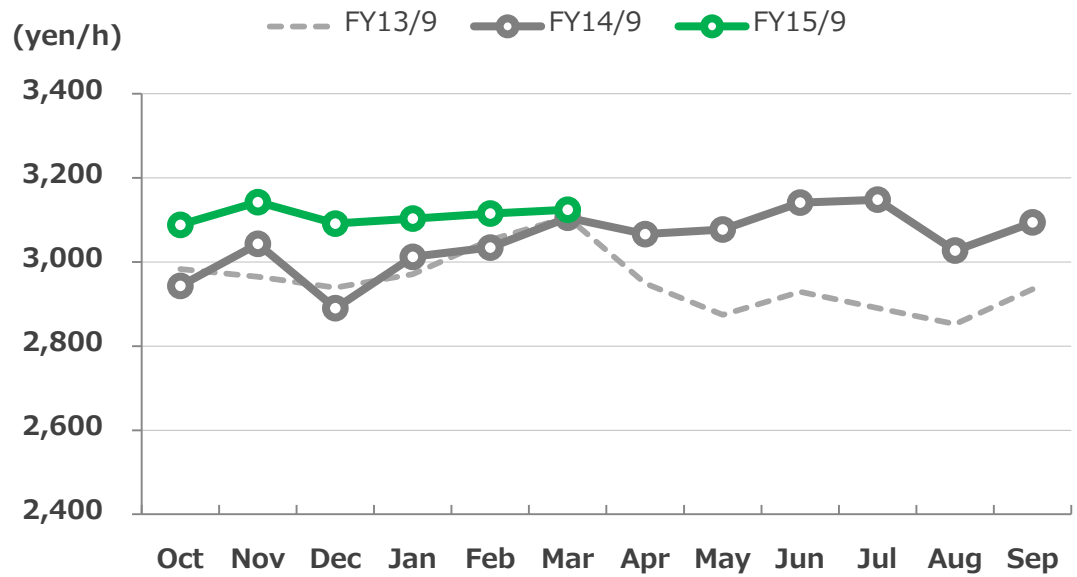


2<sup>nd</sup> year only

**▲ 1.2%**  
YoY

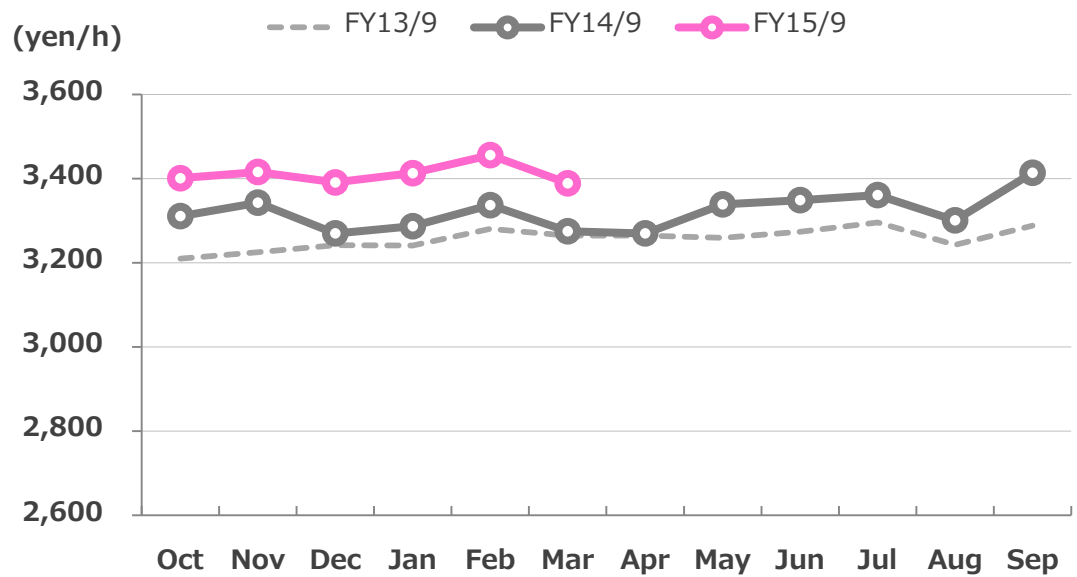
# Unit Cost of Temporary Staffing (2)

## Changes from the 3<sup>rd</sup> and 4<sup>th</sup> Year and Over



3<sup>rd</sup> year only

**+2.6%**  
YoY

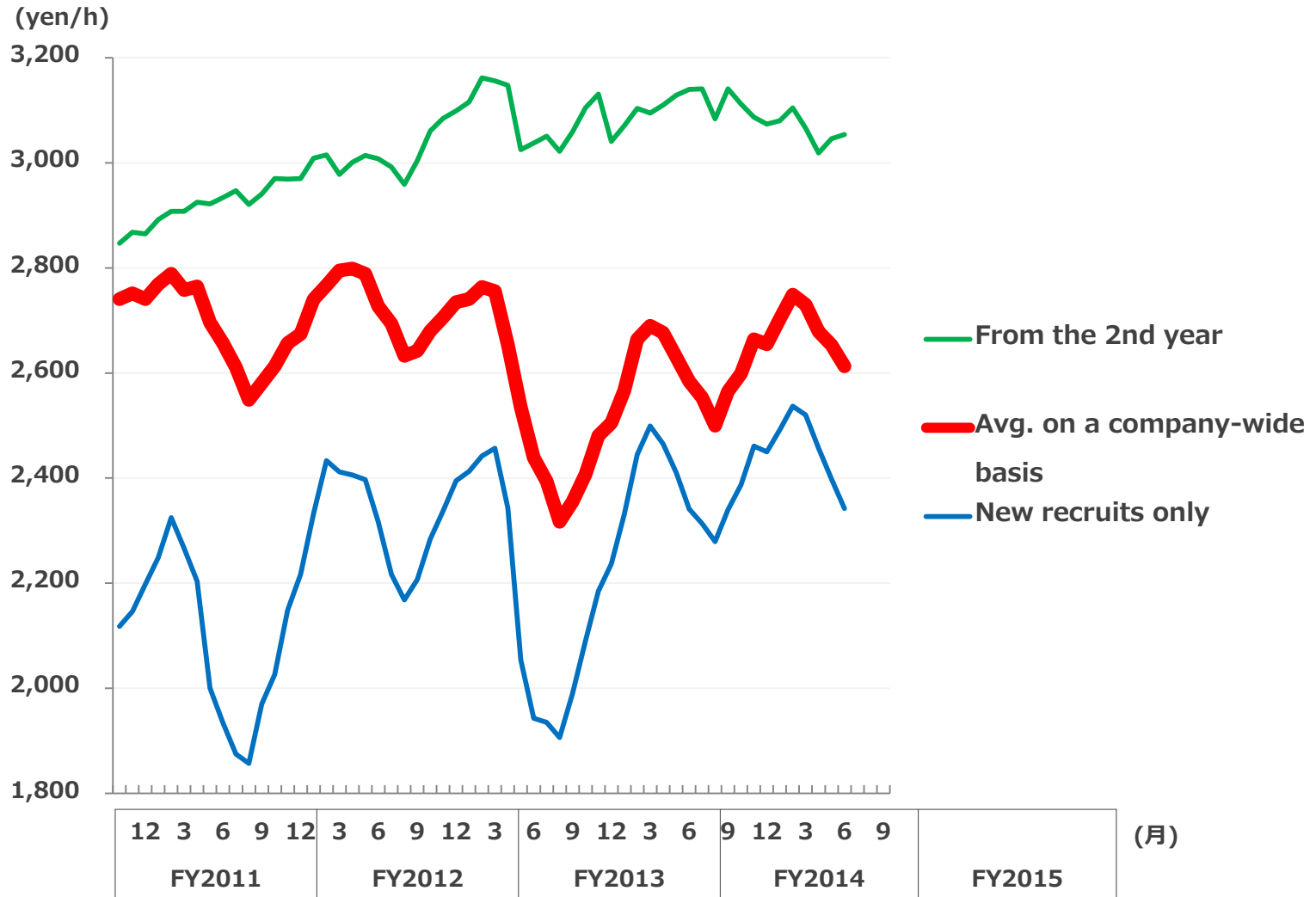


From the 4<sup>th</sup> year

**+2.9%**  
YoY

# Unit Cost of Temporary Staffing (4) Interim Changes

- Decrease in ratio of new recruits + Increase in unit cost → Increasing trend in avg. on a company-wide basis
- From the 2<sup>nd</sup> year, continue to increase for 5 consecutive years → Clear signs of labor shortage in the industry



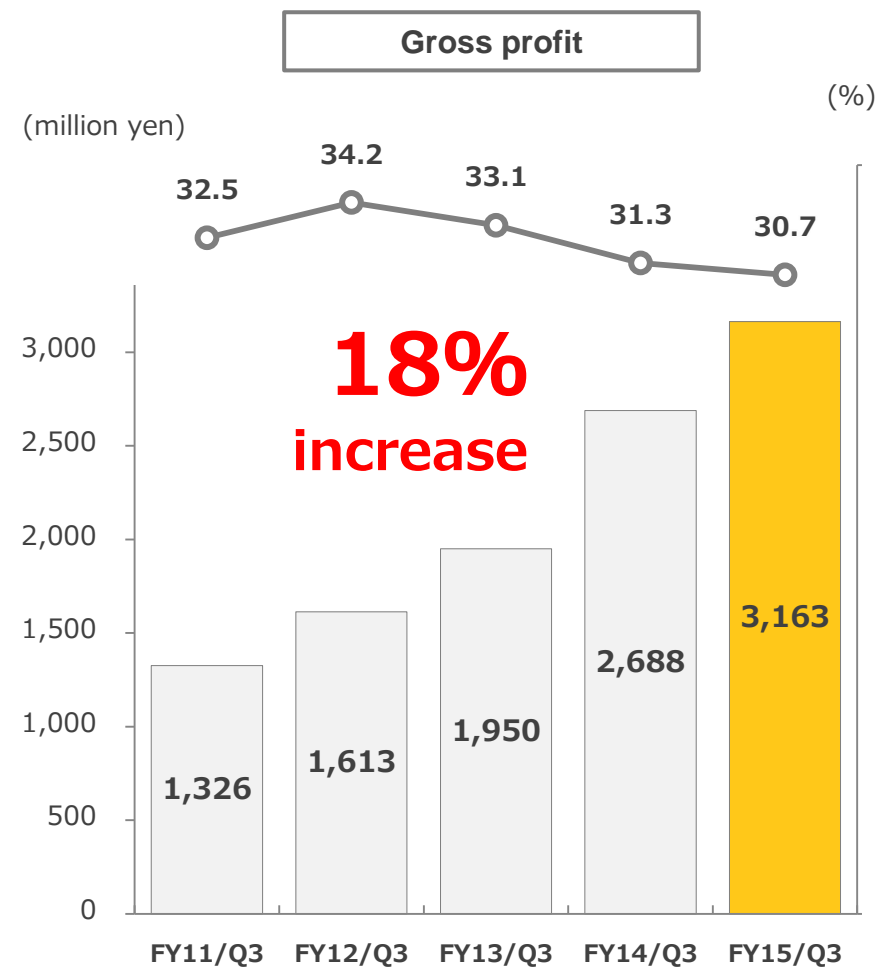
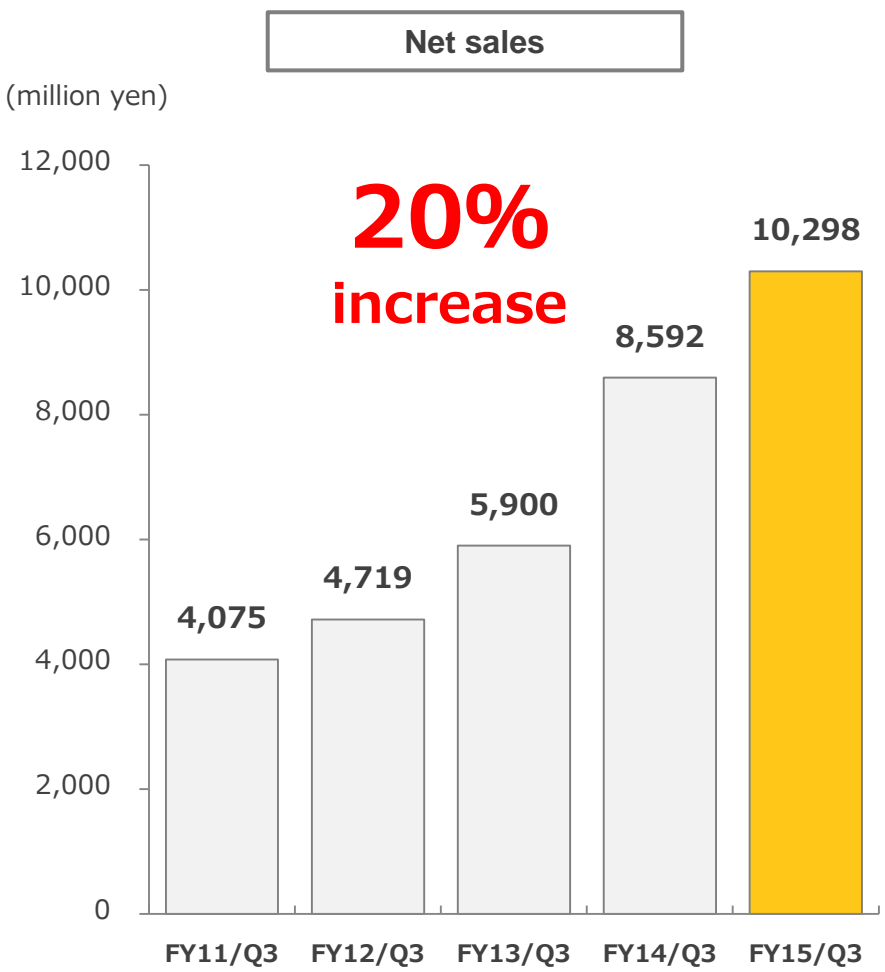
# Summary of Four Indicators of Sales

Nine months average of all engineers (Oct. - Jun.)

	FY14/Q3	FY15/Q3	Change	Percentage change
No. of engineers	2,036人	2,423人	+387人	19.0%
Operating rate	93.5%	94.9%	+1.4pt.	—
Operating time	9.85h	9.82h	▲0.03h	▲0.3%
Unit cost of temporary staffing	2,578yen	2,672yen	+94yen	3.6%

# Non-consolidated P/L Statement (1) Net Sales and Gross Profit (Total)

■ Increase in the number of engineers at work due to aggressive recruitment activity  
→ Sales and income increased

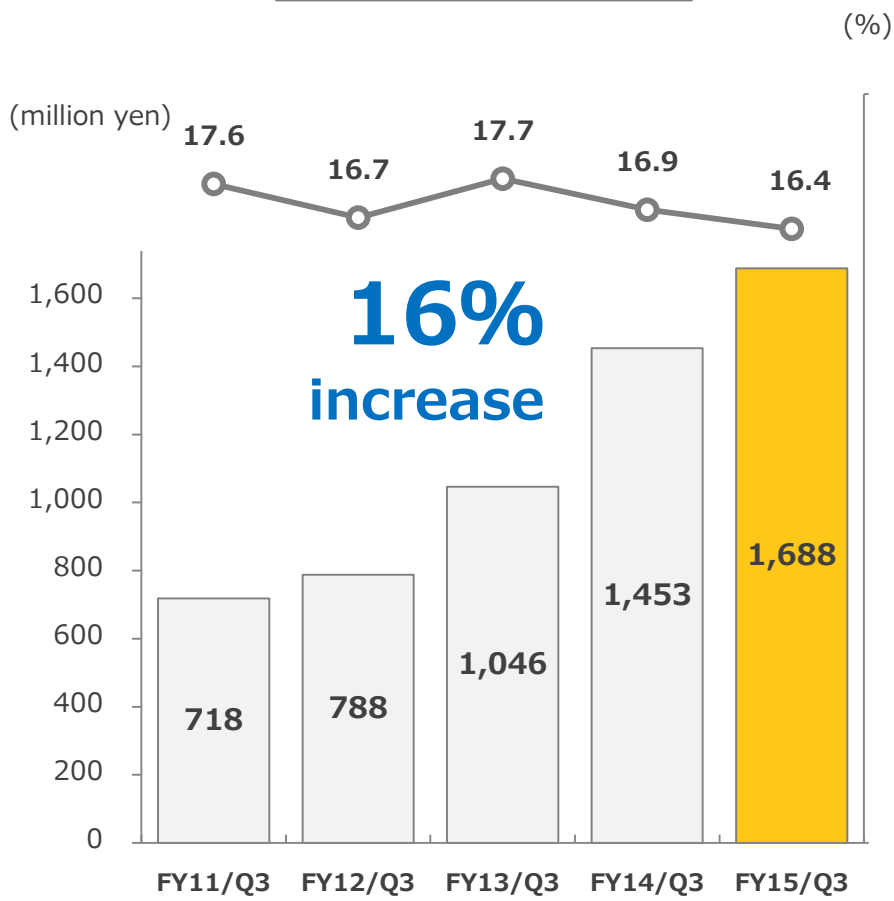


# Non-consolidated P/L Statement (2)

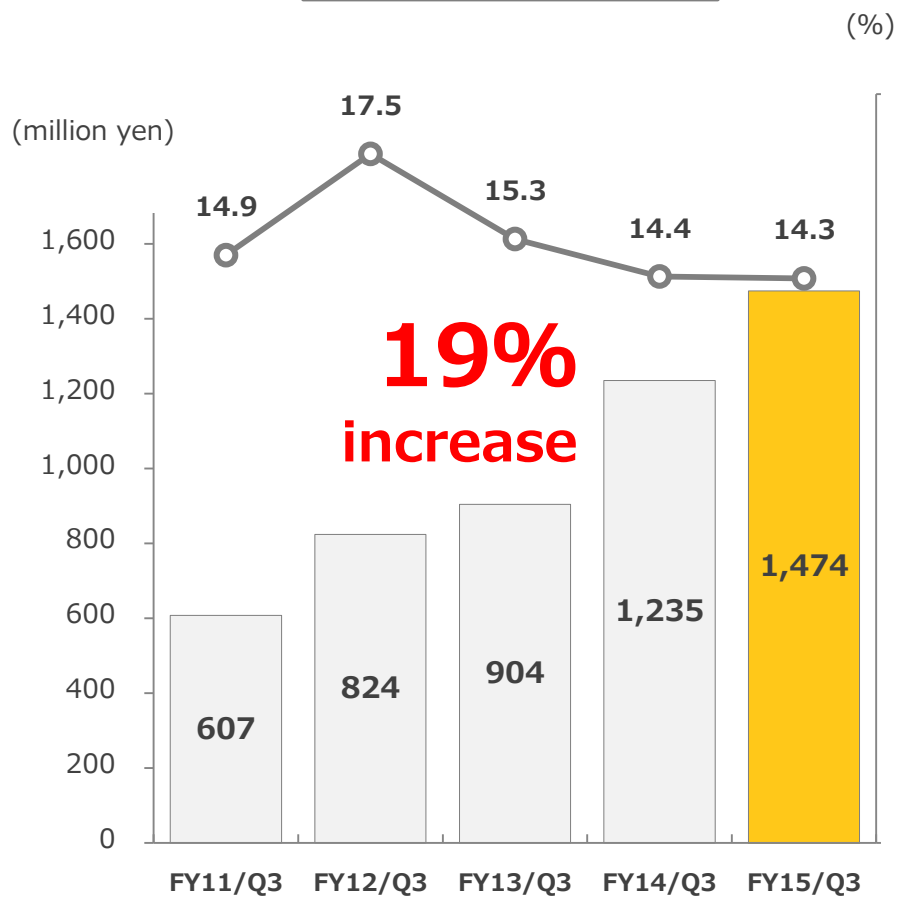
## SG&A Expenses and Operating Income (Total)

■ Maintained SG&A ratio at same level

SG&A expenses



Operating income



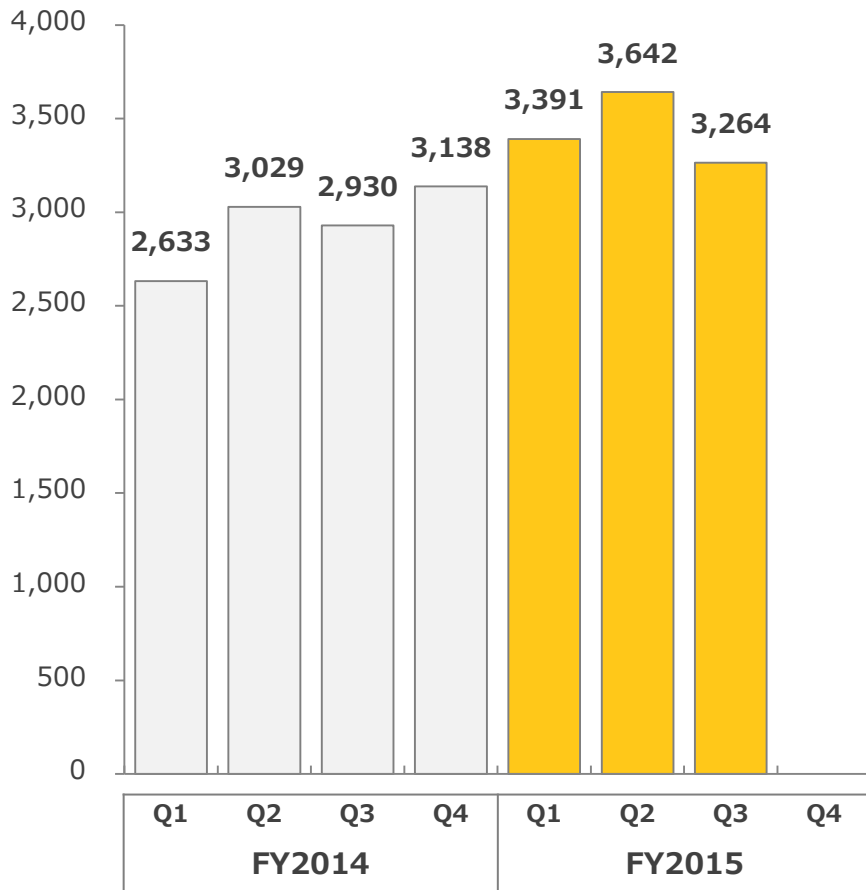
# Non-consolidated P/L Statement (3)

## Net Sales and Gross Profit (Quarter)

- Increase in cost rate because of “Guarantee 100% of salaries while waiting for the next assignment” started from this FY (69.9% → 76.2%)

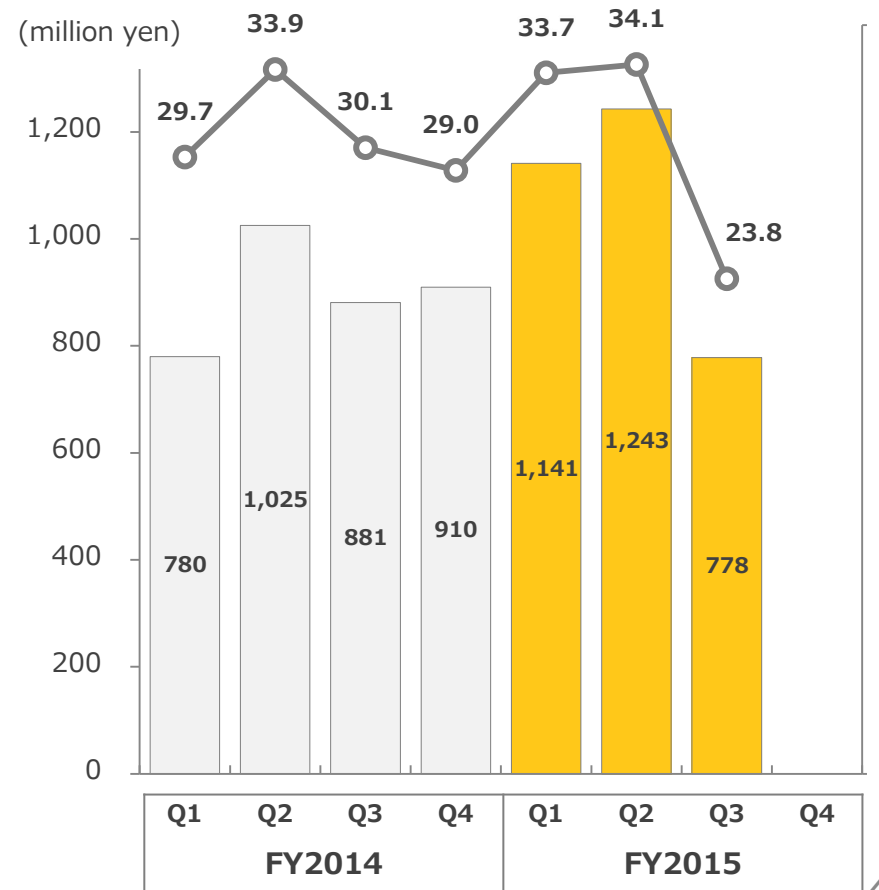
Net sales

(million yen)



Gross profit

(%)





# Non-consolidated P/L Statement (4)

## SG&A Expenses and Operating Income (Quarter)

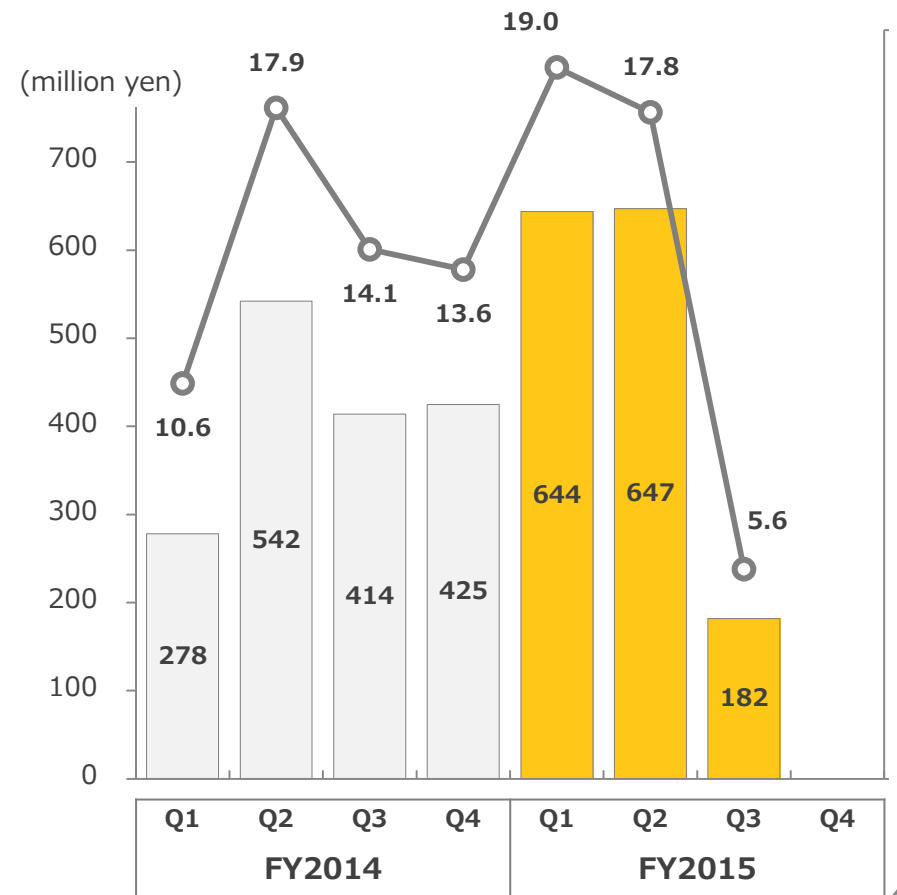
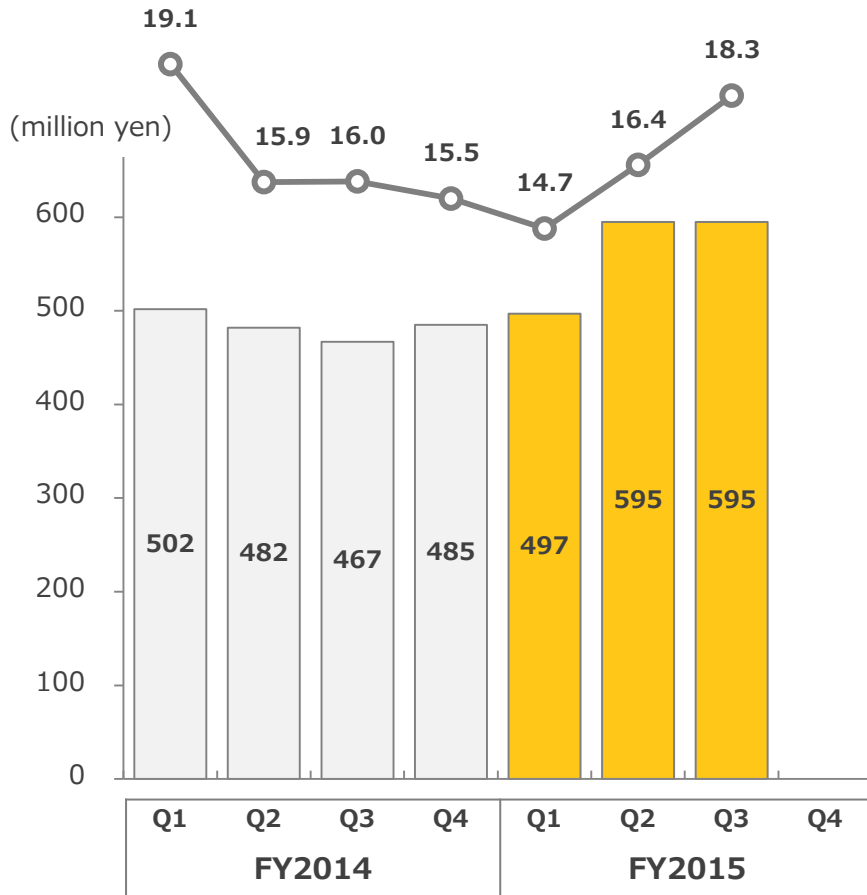
■ Increase in unit cost + Increase in SG&A ratio → Operating income ratio largely decreased

SG&A expenses

(%)

Operating income

(%)



# Summary of Non-consolidated P/L Statement

(million yen)

	FY14/Q3	FY15/Q3	Change	Pct. change
Net sales	8,592	<b>10,298</b>	+1,705	19.9%
Gross profit	2,688 (31.3%)	<b>3,163</b> (30.7%)	+475	17.7%
SG&A expenses	1,453 (16.9%)	<b>1,688</b> (16.4%)	+235	16.2%
Operating income	1,235 (14.4%)	<b>1,474</b> (14.3%)	+239	19.4%
Ordinary income	2,089 (24.3%)	<b>1,604</b> (15.6%)	▲485	▲23.2%
Net income	1,616 (18.8%)	<b>1,756</b> (17.1%)	+140	8.7%

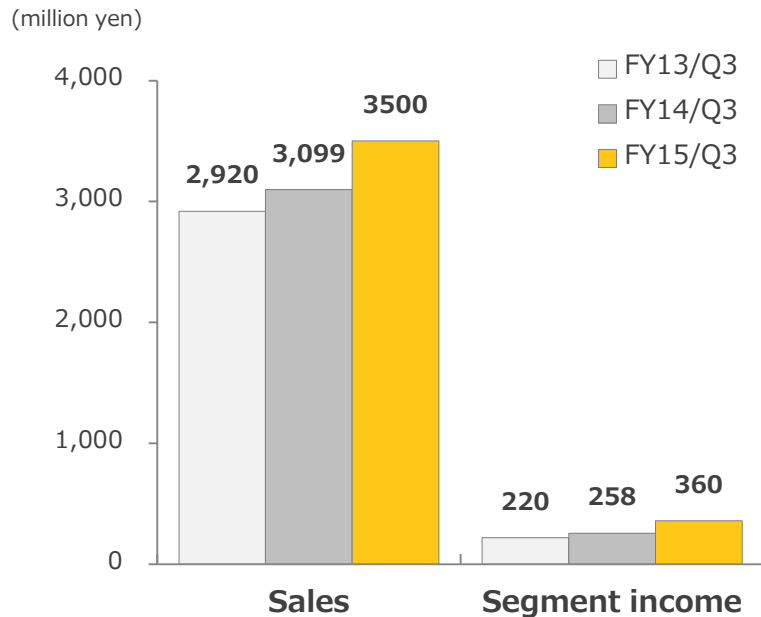
\* ( ) = Percentage of sales

**Other Segments**

# Other Segments (1)

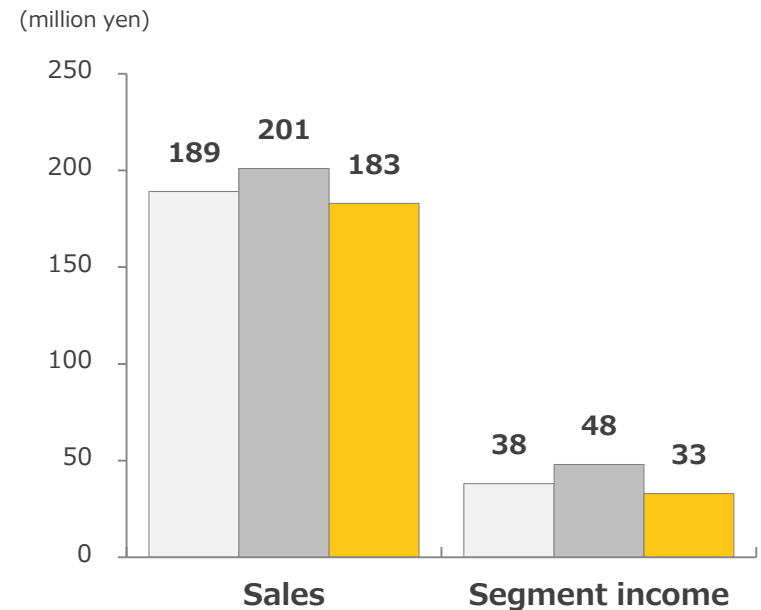
- Manufacturing engineer temporary staffing showed steady results due to aggressive recruitment of foreign engineers
- Childcare centers are favorable backed by issue of children on waiting lists for nursery schools while nursery staff is insufficient

Engineer temporary staffing



Rise in sales and income due to increase in engineers for manufacturing engineer temporary staffing

Childcare support services

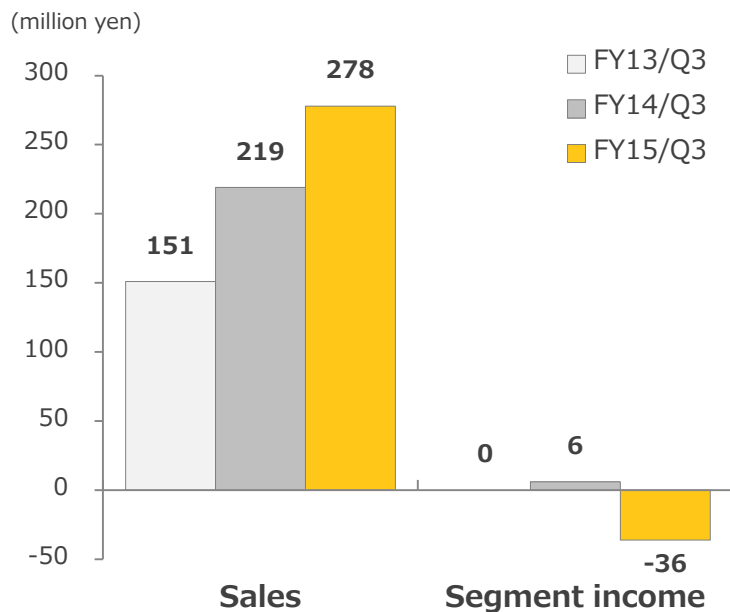


Operate 4 certified childcare centers  
Increase in facility users  
but nursery teacher temporary staffing was weak

# Other Segments (2)

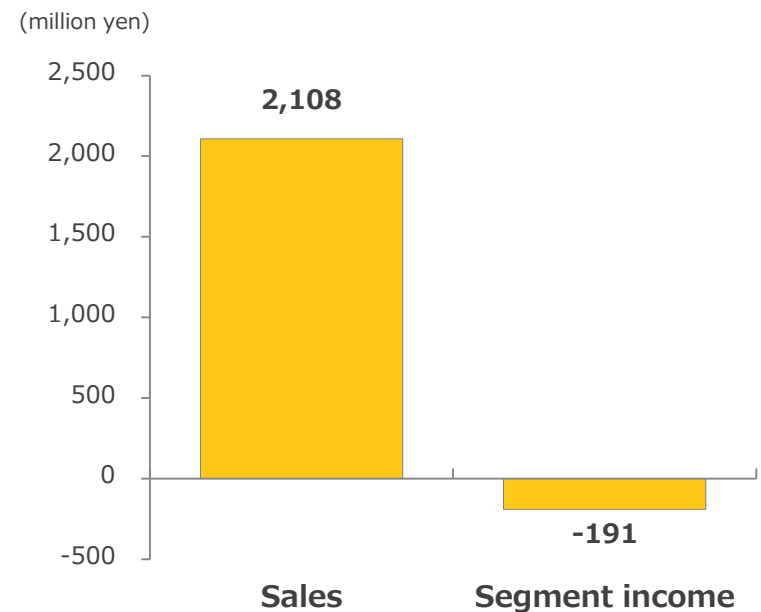
- Expenses for new facility exceeded income, although daycare customer steadily increased
- Orders for high-grade custom house showed steady results → aim for profitable in FY9/16

**Nursing care business**



Operate 5 daycare centers  
Expenses for new facility exceeded income,  
although daycare customer steadily increased

**Comprehensive construction business**



Construction of high-grade custom house  
Favorable orders but unprofitable works remain

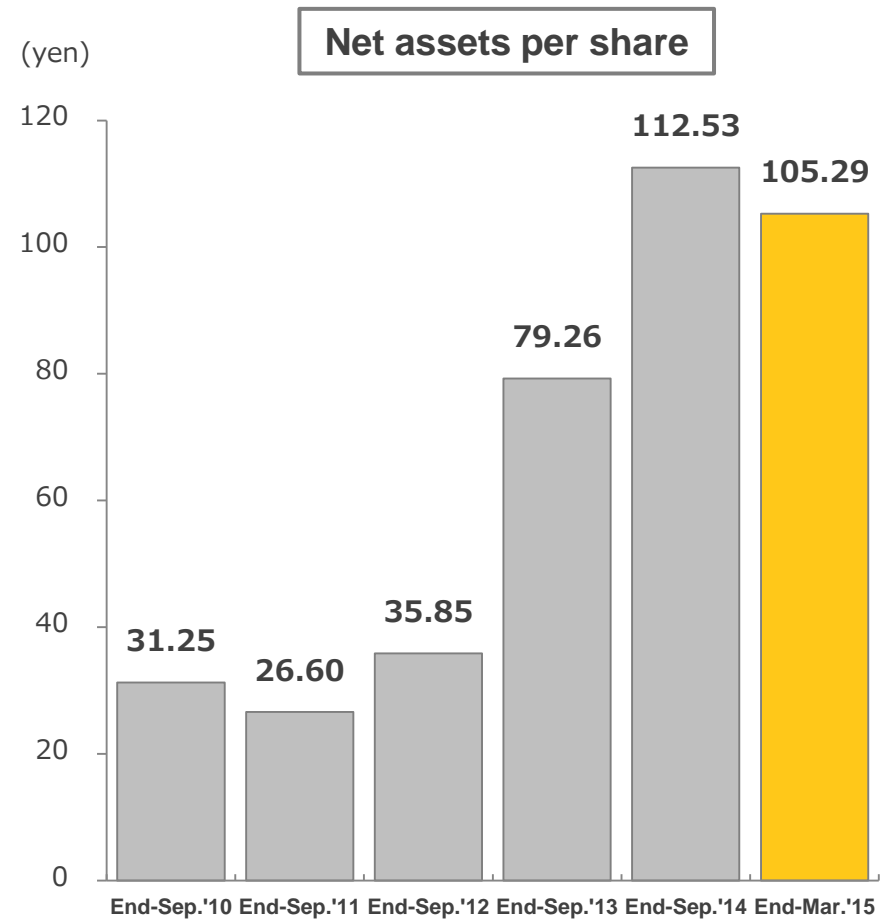
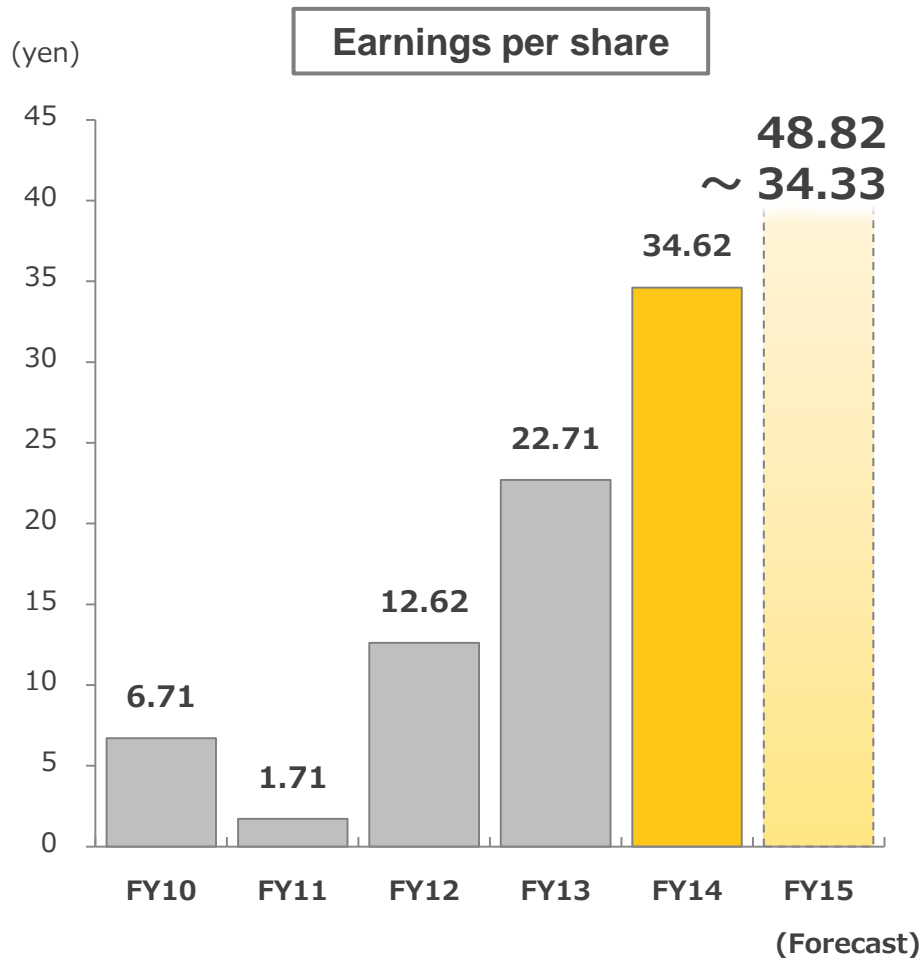
\*Segment income = After adjustment for ordinary income

# Shareholder Return

# Shareholder Return (1)

## Earnings/Net Assets Per Share

■ Increase in EPS according to the business growth



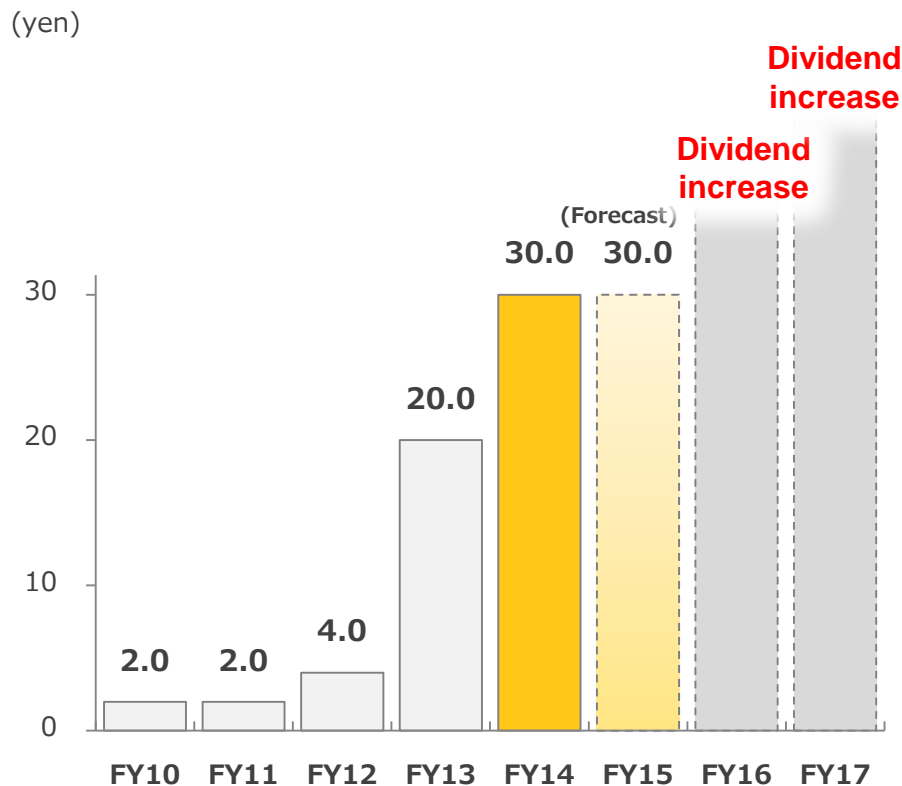
\* 1. Earnings per share = Net income ÷ Average no. of shares during period × 100

\* 2. Net assets per share = Shareholders' equity ÷ (Shares outstanding - No. of treasury stock at end of year) × 100

# Shareholder Return (2) Dividend Policy

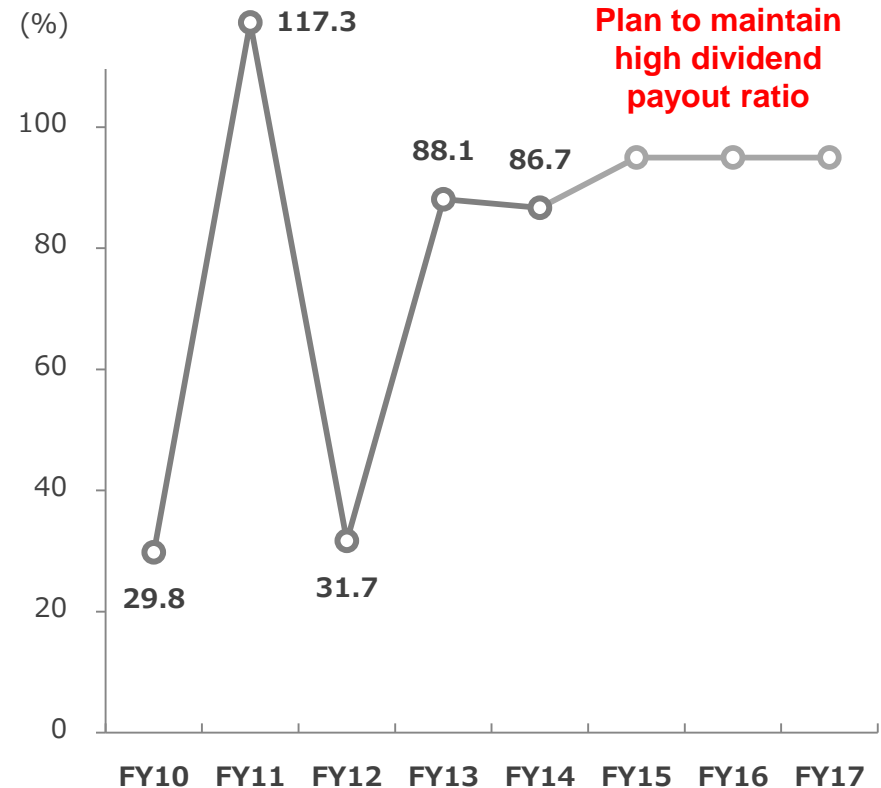
- Plan to increase dividend every year → Plan to maintain high dividend payout ratio targeting 100% during the medium term management plan.

Dividend per share



Medium-term management plan

Dividend payout ratio



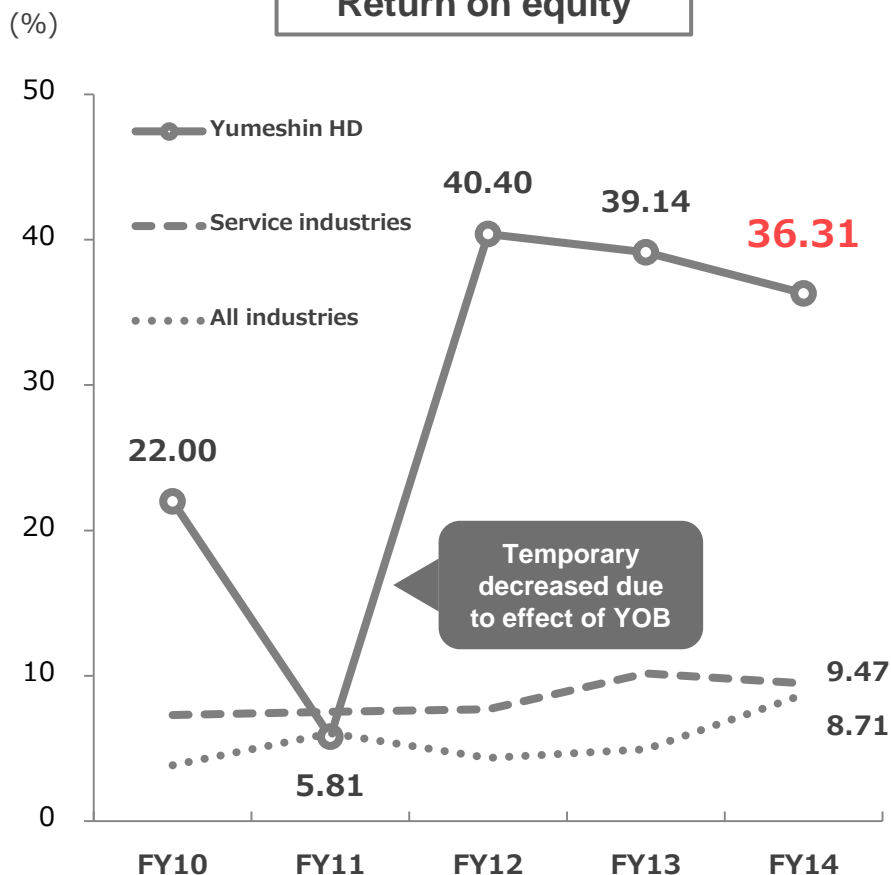
Medium-term management plan



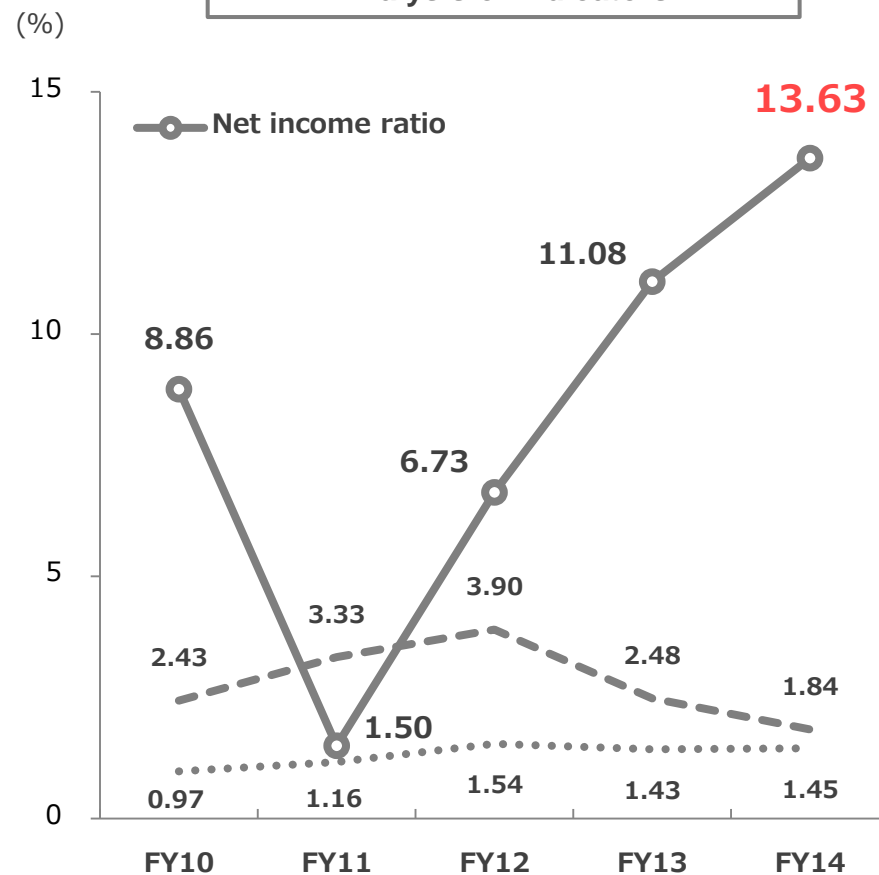
# Shareholder Return (3) Return on Equity

■ Maintain 30% of ROE → Due to increase in net income ratio

Return on equity



Analysis of indicators



- \* 1. Return on equity =  $\text{Net income} \div \text{Shareholders' equity (avg. during period)} \times 100$
- \* 2. Financial leverage =  $\text{Total assets (avg. during period)} \div \text{Shareholders' equity (avg. during period)}$
- \* 3. Total asset turnover ratio =  $\text{Net sales} \times \text{Total assets (avg. during period)}$
- \* 4. All industries and service industry belong to the TSE 1st section

# Reference

Reference

# Reference (1) Medium-Term Management Plan

- Plan to hire over 1,600 engineers annually from FY2014
- Growth in profit rate due to the scale merit

(Million yen)

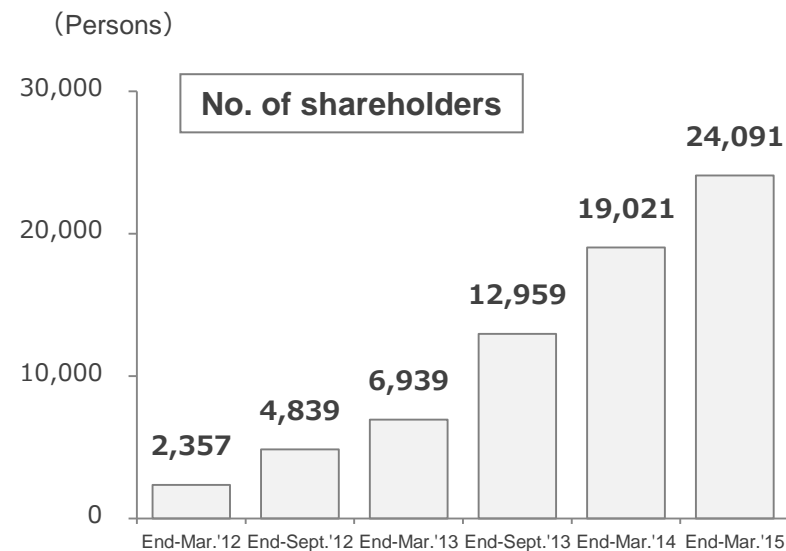
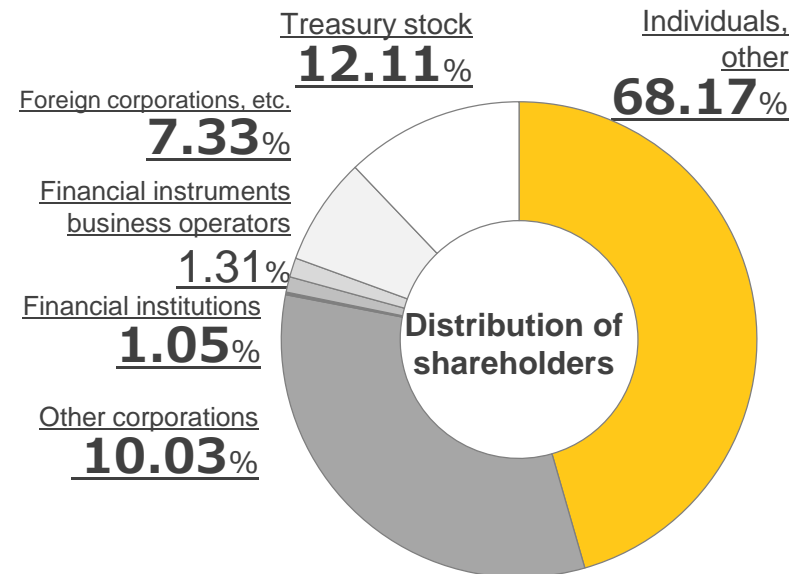
	FY2013 (Actual)	FY2014 (Actual)	FY2015	FY2016	FY2017
<b>Sales</b>	12,537	16,482	25,500 ~22,500	33,000	39,500
<b>Ordinary income</b>	1,771	2,951	—	7,800	10,000
Ordinary income margin	14.1%	17.9%	—	23.6%	25.3%
<b>Net income</b>	1,388	2,246	3,200 ~2,250	4,700	6,000
<b>No. of recruits</b>	1,233人	1,628人	1,600人	1,600人	1,600人

\* Above figures are consolidated basis.

# Reference (2) Shareholders Situation

As of March, 2015

	Name of shareholders	No. of shares held (in thousands)	Ownership ratio (%)
1	Shingo Sato	24,385	32.70
2	Sato Sogo Kikaku	7,344	9.85
3	Yoshiko Sato	2,228	2.99
4	Hideki Fukai	880	1.18
5	Japan Trustee Services Bank, Ltd.	639	0.86
6	STATE STREET BANK AND TRUST COMPANY	616	0.83
7	THE BANK OF NEW YORK	592	0.79
8	崎山 昭仁	556	0.75
9	崎山 佳香	535	0.72
10	CHASE MANHATTAN BANK	509	0.68
Total of top 10 largest shareholders		38,276	51.33



\*Apart from the above, the company has 9,032 thousand shares of treasury stock (ownership ratio of 12.11%).

## Disclaimer

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**JASDAQ**

### <Contact>

Investor Relations Office, YUMESHIN HOLDINGS CO., LTD.  
22F Marunouchi Eiraku bldg., 1-4-1 Marunouchi, Chiyoda-ku, Tokyo  
100-0005  
TEL : +81-3-3210-1212 FAX : +81-3-3210-1209  
E-mail : [ir@yumeshin.co.jp](mailto:ir@yumeshin.co.jp)